

## **Appendix M Model Internal Escrow Agreement**

This Internal Escrow Agreement is made and entered into as of [insert date] (this "Escrow Agreement"), by and between [insert name], as escrow agent ("Escrow Agent"), and the City and County of San Francisco (the "City"), acting through the Department of Elections ("Department"). In consideration of the mutual covenants and agreements herein set forth, the parties hereto do hereby covenant and agree as follows:

1. This Escrow Agreement relates to and is hereby made a part of the City's financing of certain assets (the "Financing") pursuant to the [insert title of financing agreement](the "Financing Agreement"), between the City and [insert name] ("Lessor"). Except as otherwise defined herein, all terms defined in the Financing Agreement shall have the same meaning for the purposes of this Escrow Agreement as in the Financing Agreement.

2. There is hereby established in the custody of Escrow Agent an account (the "Acquisition Account") to be held and administered by the Escrow Agent in trust for the benefit of Lessor and the City in accordance with this Escrow Agreement. Escrow Agent shall deposit \$\_\_\_\_\_ (the "Acquisition Deposit") in the Acquisition Account. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent solely at the direction of the City in those certain investment securities listed in Exhibit A hereto ("Permitted Investments"). Escrow Agent will invest the funds in obligations issued by the U.S. Treasury, state or local governments or corporations with an investment grade of "A" or better. Such investments shall be held by Escrow Agent in the Acquisition Account. Interest earned on the Acquisition Account will be deposited to the Acquisition Account. Any loss or expense incurred from an investment will be borne by the Acquisition Account. Escrow Agent is hereby authorized to execute purchases and sales of investments through the facilities of its own trading or capital markets operations. Escrow Agent understands and acknowledges that any investments and reinvestments shall be made after giving full consideration to the time at which funds are required to be available for acquisition payments hereunder and shall be structured to obtain the highest yield practicable giving due regard to the safety of such funds and the dates upon which such funds are required to be available for the uses and purposes described in this Escrow Agreement and in the Financing Agreement. Escrow Agent shall not invest any moneys held hereunder in Permitted Investments offered by or through Escrow Agent or any of its affiliates unless (i) Escrow Agent determines such investment is consistent with the investment requirements contained herein, (ii) all fees charged are reasonable and (iii) the City consents in writing to the specific investment at issue.

3. Moneys in the Acquisition Account shall be used to pay for the cost of the acquisition of the Equipment. Payment shall be made from the Acquisition Account for the cost of acquisition of part or all of the Equipment upon presentation to Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached hereto as Exhibit B, executed by the City, together with an invoice for the cost of the acquisition of the Equipment for which payment is requested.

4. The Acquisition Account shall terminate upon the occurrence of the earlier of (a) the presentation of a proper Payment Request and Acceptance Certificate with the portion thereof designated "Final Acceptance Certificate" properly executed by the City, (b) the presentation of written notification by Escrow Agent, or if Escrow Agent shall have assigned its interest under this Escrow Agreement, then the assignees or sub-assignees of all of Escrow Agent's interest under the Financing, that an Event of Default has occurred or that the City has terminated the Financing pursuant to Section 3.03 of the Financing Agreement, or (c) three years from the date hereof. Upon termination as described in clauses (a) or (c) of this paragraph, any unexpended Acquisition Deposit shall be used to prepay the principal component of Rental Payments. If any such amount is used to prepay principal, the Schedule of Installment Purchase Payments appearing as Exhibit A-1 to the Financing Agreement shall be revised accordingly as specified by the City. Upon termination as described in clause (b) of this paragraph, any amount remaining in the Acquisition Account shall immediately be paid to Lessor or its assignees. If upon termination of the Acquisition Account under (a) or (c), the funds remaining in the Acquisition Account are less than 2% of the principal amount due under the Financing, then Escrow Agent will return such funds to the City and a new amortization schedule will not need to be entered into. Upon termination of the Acquisition Account, any funds in excess of the Acquisition Deposit remaining in the Acquisition Account will, upon direction of the City, be credited towards the next Rental Payment.

5. In performing any duties under this Escrow Agreement, Escrow Agent shall not be liable for consequential damages (including without limitation lost profits), losses or expenses, except for gross negligence or willful misconduct on the part of Escrow Agent. Escrow Agent shall not incur any such liability for (i) any act or failure to act made or omitted in good faith and without gross negligence, or (ii) any action taken or omitted in reliance upon any instrument, including any written statement or affidavit provided for in this Escrow Agreement that Escrow Agent shall in good faith believe to be genuine, nor will Escrow Agent be liable or responsible for forgeries, fraud, impersonations, or determining the scope of any representative authority. In addition, Escrow Agent may consult with legal counsel in connection with Escrow Agent's duties under this Escrow Agreement and shall be fully protected in any act taken, suffered, or permitted by him/her in good faith in accordance with the advice of counsel. Escrow Agent is not responsible for determining and verifying the authority of any person acting or purporting to act on behalf of any party to this Escrow Agreement.

6. If any controversy arises between the parties to this Escrow Agreement, or with any other party, concerning the subject matter of this Escrow Agreement, its terms or conditions, Escrow Agent will not be required to determine the controversy or to take any action regarding it. Escrow Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings or other means as, in Escrow Agent's discretion, Escrow Agent may require, despite what may be set forth elsewhere in this Agreement. In such event, Escrow Agent will not be liable for interest or damage. Furthermore, Escrow Agent may at its option, file an action of interpleader requiring the parties to answer and litigate any claims and rights among themselves. Escrow Agent is authorized to deposit with the clerk of the court all documents and funds held in escrow, except all costs, expenses, charges and reasonable attorney fees incurred by Agent due to the interpleader action and which the Parties jointly and severally agree to pay. Upon initiating such action, Escrow

Agent shall be fully released and discharged of and from all obligations and liability imposed by the terms of this Agreement.

7. Escrow Agent's fees shall be paid in advance in accordance with the Fee Schedule attached hereto as Exhibit C.

8. Escrow Agent may at any time resign by giving at least 30 days written notice to the City, but such resignation shall not take effect until the appointment of a successor Escrow Agent. In the event of any resignation of Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Escrow Agent and the City. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to the City and Escrow Agent. Thereupon such successor Escrow Agent shall, without any further act or deed, be fully vested with all the trust, powers, rights, duties and obligations of Escrow Agent hereunder and the predecessor Escrow Agent shall deliver all moneys and securities held by it hereunder to such successor Escrow Agent.

9. Escrow Agent incurs no liability to make any disbursements pursuant to this Escrow Agreement except from funds held in the Acquisition Account. In the event Escrow Agent becomes involved in litigation by reason of the administration of the Acquisition Account, it is hereby authorized to deposit with the appropriate Clerk of the Court, in which the litigation is pending, any and all funds, securities or other property held by it pursuant hereto, less its reasonable fees, expenses and advances, and thereupon shall stand fully relieved and discharged of any further duties regarding the Acquisition Account.

10. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. This Escrow Agreement may not be amended except by a written instrument executed by the City and Escrow Agent. This Agreement shall be construed in accordance with the laws of the State of California. It may be executed in several counterparts, each one of which shall constitute an original and all collectively shall constitute but one instrument.

11. MacBride Principles—Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

12. Tropical Hardwood Ban. Pursuant to San Francisco Administrative Code Section 12I.5(b), the City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product or any virgin redwood or virgin redwood product.

13. City Requirements.

- a. Escrow Agent Shall Not Discriminate. In the performance of this Escrow Agreement, Escrow Agent agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Escrow Agent in any of Escrow Agent's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social, or other establishments or organizations operated by Escrow Agent.
- b. Subcontracts. Escrow Agent shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Section 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Escrow Agent's failure to comply with the obligations in this subsection shall constitute a material breach of this Escrow Agreement.
- c. Non-Discrimination in Benefits. Escrow Agent does not as of the date of this Escrow Agreement and will not during the term of this Escrow Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- d. HRC Form. Escrow Agent shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission ("HRC").
- e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Escrow Agreement as though fully set forth herein. Escrow Agent shall comply fully with and be bound by all of the provisions that apply to this

Escrow Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Escrow Agent understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Escrow Agreement may be assessed against Escrow Agent and/or deducted from any payments due Escrow Agent; provided, however, that such penalty shall not be set off against the payment of rental or other amounts under any lease or other contract related to bonds, certificates of participation or other debt obligations of Escrow Agent.

- f.
  - i. Compliance. Escrow Agent understands and agrees to comply fully with all provisions of Chapter 12D.A (“Minority/Women/Local Business Utilization Ordinance-IV”) of the San Francisco Administrative Code and agrees to include this paragraph in all subcontracts made in fulfillment of Escrow Agent’s obligations under this Escrow Agreement. Said provisions are incorporated herein by reference and made a part of this Escrow Agreement as though fully set forth. Escrow Agent’s willful failure to comply with Chapter 12D.A is a material breach of contract.
  - ii. Enforcement. If Escrow Agent willfully fails to comply with any of the provisions of Chapter 12D.A, the rules and regulations implementing Chapter 12D.A, or the provisions of this Escrow Agreement pertaining to MBE or WBE participation, Escrow Agent shall be liable for liquidated damages in an amount equal to Escrow Agent’s net profit on this Agreement, or ten Percent (10%) of the total amount of this Escrow Agreement, or One Thousand Dollars (\$1,000), whichever is greatest. The Director of the City’s Human Rights Commission (HRC) may also impose other sanctions against Escrow Agent authorized in Chapter 12D.A, including declaring Escrow Agent to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of Escrow Agent’s MBE or WBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Section 12D.A.16C.

By entering into this Escrow Agreement, Escrow Agent acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Escrow Agent further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Escrow Agent on any contract with City, provided, however, that such damages shall not be set-off against the payment or rental or other amount under any lease on other contract related to bonds, certificates of participation or other debt obligations of Escrow Agent or the City.

Escrow Agent agrees to maintain records necessary for monitoring its compliance with Chapter 12D.A for a period of three years following termination of this contract.

14. Resource Conservation; Liquidated Damages. Chapter 21A of the San Francisco Administrative Code (“Resource Conservation”) is incorporated herein by reference. Failure by Escrow Agent to comply with any of the requirements of Chapter 21A shall be deemed a material breach of this Escrow Agreement. In the event Escrow Agent fails to comply in good faith with any of the provisions of Chapter 21A, Escrow Agent shall be liable for liquidated damages in an amount equal to Escrow Agent’s net profit under the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greatest. Escrow Agent acknowledges and agrees that liquidated damages assessed shall be payable to City upon demand and may be set off against any moneys due to Escrow Agent from any agreement with the City; provided, however, that such damages shall not be set off against the payment of Base Rental under the Project Lease or against the payment of rental or other amount under any lease or other contract related to bonds, certificates of participation or other debt obligations of the City or Escrow Agent.

15. Requiring Minimum Compensation for Employees. Escrow Agent agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Trust Agreement as though fully set forth. The text of the MCO is available on the web at [www.ci.sf.ca.us\MCO](http://www.ci.sf.ca.us/MCO). Capitalized terms used in this Section and not defined in this Trust Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Escrow Agent agrees to all of the following:

a. For each hour worked by a Covered Employee during a Pay Period on work funded under the City contract during the term of this Trust Agreement, Escrow Agent shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the minimum hourly gross compensation portion of the MCO, Escrow Agent shall pay \$9.00 an hour through December 31, 2002. On January 1, 2003, Escrow Agent shall increase the minimum hourly gross compensation to \$10.00 an hour; provided, however, that if Escrow Agent is a Nonprofit Corporation or a public entity, it shall be required to pay the increased amount only if the City makes the finding required by Section 12P.3(a)(ii) of the San Francisco Administrative Code. If Escrow Agent is required to increase the minimum gross hourly compensation to \$10.00 an hour, it shall provide the 2.5% annual increase required by the MCO for each of the next three years.

b. Escrow Agent shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to Escrow Agent’s compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

c. Escrow Agent understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Escrow Agent of the terms of this Trust Agreement. The City, acting through the Contracting Department, shall determine whether such a breach has occurred.

d. If, within 30 days after receiving written notice of a breach of this Trust Agreement for violating the MCO, Escrow Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Escrow Agent fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

i. The right to charge Escrow Agent an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

ii. The right to set off all or any portion of the amount described in Subsection (d)(i) of this Section against amounts due to Escrow Agent under this Trust Agreement;

iii. The right to replace Escrow Agent as Escrow Agent under this Trust Agreement;

iv. In the event of a breach by Escrow Agent of the covenant referred to in Subsection (b) of this Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and

v. The right to bar Escrow Agent from entering into future contracts with the City for three (3) years.

Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the City. Any amounts realized by the City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

e. Escrow Agent represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

f. Escrow Agent shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by Escrow Agent from the City, which communications are marked to indicate that they are to be distributed to Covered Employees.

g. Escrow Agent shall provide reports to the City in accordance with any reporting standards promulgated by the City under the MCO, including reports on subcontractors.

h. Escrow Agent shall provide the City with access to pertinent records after receiving a written request from the City to do so and being provided at least five (5) business days to respond.

i. The City may conduct random audits of Escrow Agent. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten (10) days of the written notice; and (iv) limited to one audit of Escrow Agent every two years for the duration of this Trust Agreement. Nothing in this Trust Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

j. Any subcontract entered into by Escrow Agent shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. A subcontract means an agreement between Escrow Agent and a third party which requires the third party to perform all or a portion of the services covered by this Trust Agreement. Escrow Agent shall notify the City of Administrative Services when it enters into such a subcontract and shall certify to the City of Administrative Services that it has notified the subcontractor of the obligations under the MCO and has imposed the requirements of the MCO on the subcontractor through the provisions of the subcontract. It is Escrow Agent's obligation to ensure that any subcontractors of any tier under this Trust Agreement comply with the requirements of the MCO. If any subcontractor under this Trust Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Escrow Agent.

k. Each Covered Employee is a third-party beneficiary with respect to the requirements of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Escrow Agent of subsections (a) and (b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Escrow Agent understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Escrow Agent of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Escrow Agent arising from this Trust Agreement, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Escrow Agent also understands that the MCO provides that if Escrow Agent prevails in any such action, Escrow Agent may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.



1. If Escrow Agent is exempt from the MCO when this Trust Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Escrow Agent later enters into an agreement or agreements that cause Escrow Agent to exceed that amount in a fiscal year, Escrow Agent shall thereafter be required to comply with the MCO under this Trust Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Escrow Agent and this department to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

16. Compliance with Americans with Disabilities Act. Without limiting any other provisions of this Escrow Agreement, Escrow Agent shall provide the services specified in this Escrow Agreement in a manner that complies with the Americans with Disabilities Act (ADA) Title 24, and any and all other applicable federal, state and local disability rights legislation. Escrow Agent agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Escrow Agreement and further agrees that any violation of this prohibition on the part of Escrow Agent, its employees, agents or assigns shall constitute a material breach of this Escrow Agreement.

17. Contractors Doing Business with the City Prohibited from Making Contributions. Escrow Agent acknowledges that no person who contracts with the City, for the rendition of personal services, or the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which the City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and either the completion of, or the termination of, negotiations for such contract.

18. Requiring Health Benefits for Covered Employees. Unless exempt, Escrow Agent agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Trust Agreement as though fully set forth. The text of the HCAO is available on the web at [www.ci.sf.ca.us/HCAO](http://www.ci.sf.ca.us/HCAO). Capitalized terms used in this Section and not defined in this agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Escrow Agent shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Escrow Agent chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if Escrow Agent is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Escrow Agent's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Escrow Agent if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Trust Agreement for violating the HCAO, Escrow Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Escrow Agent fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Escrow Agent shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Escrow Agent shall notify the City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on the Subcontractor through the Subcontract. Escrow Agent shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Escrow Agent based on the Subcontractor's failure to comply, provided that the City has first provided Escrow Agent with notice and an opportunity to obtain a cure of the violation.

e. Escrow Agent shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to Escrow Agent's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Escrow Agent represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Escrow Agent shall keep itself informed of the current requirements of the HCAO.

h. Escrow Agent shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

i. Escrow Agent shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least five (5) business days to respond.

j. The City may conduct random audits of Escrow Agent to ascertain its compliance with HCAO. Escrow Agent agrees to cooperate with the City when it conducts such audits.

k. If Escrow Agent is exempt from the HCAO when this Trust Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Escrow Agent later enters into an agreement or agreements that cause Escrow Agent's aggregate amount of all agreements with the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Escrow Agent and the Contracting Department to be equal to or greater than \$75,000 in the fiscal year.

IN WITNESS WHEREOF, The City and Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

[insert name]., as escrow agent

THE CITY AND COUNTY OF SAN FRANCISCO, acting through its [insert department]

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

By: \_\_\_\_\_

Michael J. Martin  
Deputy City Attorney

**Sub -Appendix M, Attachment 1**

**Permitted Investments**

[to be attached]

**Appendix M, Attachment 2**

**Internal Escrow Agreement**  
**Form of**  
**Payment Request and Acceptance Certificate**

Lessor: [insert name and address]

Lessee: The City and County of San Francisco  
Department of Elections  
1 Dr. Carlton B. Goodlett Place, Room 48  
San Francisco, CA 94102

RE: Internal Escrow Agreement dated as of [insert date], by and between the City and County of San Francisco (the "City") and [insert name]., relating to [insert title of financing agreement](the "Financing Agreement"), between the City and [insert name]

[Insert name] is hereby requested to pay from the Acquisition Account to the person or corporation designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment and has not formed the basis of any prior request for payment. The equipment described below is part or all of the "Equipment" listed in Exhibit A to the Financing Agreement referenced above.

Quantity

Serial Number/Description:

Amount:

Payee:

**Payee's Federal ID Number:** \_\_\_\_\_

The City hereby certifies and represents to and agrees with Lessor as follows:

- (1) The equipment described above has been delivered, installed and accepted on the date hereof.
- (2) The City has conducted such inspection and/or testing of said equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said equipment for all purposes.
- (3) The City is currently maintaining the insurance coverage required by Section 7.02 of the Financing Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Financing Agreement) exists at the date hereof.

Dated: \_\_\_\_\_

THE CITY AND COUNTY OF SAN FRANCISCO

By \_\_\_\_\_

Title \_\_\_\_\_

**FINAL ACCEPTANCE CERTIFICATE**

(THIS CERTIFICATE IS TO BE EXECUTED ONLY WHEN ALL EQUIPMENT HAS BEEN ACCEPTED)

The undersigned hereby certifies that the equipment described above, together with the equipment described in and accepted by Payment Request and Acceptance Certificates previously filed by the City with the Lessor pursuant to the Financing Agreement, constitutes all of the Equipment subject to the Financing Agreement.

Dated: \_\_\_\_\_

THE CITY AND COUNTY OF SAN FRANCISCO

By \_\_\_\_\_

Title \_\_\_\_\_

**Appendix M, Attachment 3**

**Fee Schedule**

[to be attached]