

FILE NO.

RESOLUTION NO.

1 [Sale of Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016), Series
2 2017A – Not to Exceed \$176,000,000]

3
4 **Resolution authorizing the issuance and sale of not to exceed \$176,000,000 aggregate**
5 **principal amount of City and County of San Francisco Tax-Exempt General Obligation**
6 **Bonds (Public Health and Safety, 2016), Series 2017A; prescribing the form and terms**
7 **of such bonds; providing for the appointment of depositories and other agents for**
8 **such bonds; providing for the establishment of accounts related to such bonds;**
9 **authorizing the sale of such bonds by competitive or negotiated sale; approving the**
10 **forms of Official Notice of Sale and Notice of Intention to Sell Bonds and directing the**
11 **publication of the Notice of Intention to Sell Bonds; approving the form of Purchase**
12 **Contract; approving the form of the Preliminary Official Statement and the execution of**
13 **the Official Statement relating to the sale of such bonds; approving the form of the**
14 **Continuing Disclosure Certificate; authorizing and approving modifications to**
15 **documents; ratifying certain actions previously taken; and granting general authority**
16 **to City officials to take necessary actions in connection with the authorization,**
17 **issuance, sale, and delivery of such bonds.**

18 WHEREAS, By Resolution No. 50-16 adopted by the Board of Supervisors (the "Board
19 of Supervisors") of the City and County of San Francisco (the "City") on February 9, 2016, it
20 was determined and declared that public interest and necessity demand the rehabilitation,
21 improvement and seismic upgrade of public health and safety facilities, including making
22 seismic upgrades and improvements to the Pricilla Chan and Mark Zuckerberg San Francisco
23 General Hospital campus, the renovation of and construction of a new addition to the South
24 East Health Center; the improvement of high-demand community health centers with the
25 expansion of and access to mental health, urgent care, substance abuse, dental, and social

1 services; the construction of a seismically safe Ambulance Deployment Facility, and the
2 modernization and upgrade of neighborhood fire stations Citywide; and the improvement and
3 increased capacity of facilities to better serve homeless individuals and families at City-owned
4 shelters and homeless service sites, and the payment of related costs necessary or
5 convenient for the foregoing purposes; and,

6 WHEREAS, By Ordinance No. 22-16 adopted by the Board of Supervisors on February
7 23, 2016 (the "Bond Ordinance"), the Board of Supervisors duly called a special election to be
8 held on June 7, 2016, for the purpose of submitting to the electors of the City a proposition to
9 incur bonded indebtedness of the City in the amount of \$350,000,000 to finance the
10 construction, acquisition, improvement, seismic strengthening and betterment of critical
11 community and mental health, emergency response and safety, and homeless shelter and
12 service facilities and related costs necessary or convenient for the foregoing purposes, as
13 described therein (collectively, the "Project"); and,

14 WHEREAS, A special election was held in the City on June 7, 2016 (the "Bond
15 Election"), for the purpose of submitting to the qualified voters of the City said proposition and
16 such proposition was approved by two-thirds of the qualified electors of the City voting on
17 such proposition; and

18 WHEREAS, By Resolution No. _____ (the "Authorizing Resolution"), adopted by the
19 Board of Supervisors on _____, 2016, and signed by the Mayor on _____, 2016, the City
20 authorized the issuance of the City and County of San Francisco Taxable and Tax-Exempt
21 General Obligation Bonds (Public Health and Safety, 2016) (the "Bonds"); and,

22 WHEREAS, It is necessary and desirable to issue a first series of the Bonds on a tax-
23 exempt basis in an aggregate principal amount not to exceed \$176,000,000 (the "Series
24 2017A Bonds"), to finance a portion of the costs of the Project (as defined in the Authorizing
25 Resolution); and,

1 WHEREAS, The Series 2017A Bonds are being issued pursuant to the Authorizing
2 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
3 Code, the Charter of the City (the "Charter"), the Bond Ordinance and the Bond Election; and,

4 WHEREAS, Pursuant to the applicable provisions of the San Francisco Administrative
5 Code Sections 5.30-5.36, the Citizens' General Obligation Bond Oversight Committee shall
6 conduct an annual review of bond spending and shall provide an annual report on the
7 management of the program to the Mayor and the Board of Supervisors, and, to the extent
8 permitted by law, one-tenth of one percent (0.1%) of the gross proceeds of the Series 2017A
9 Bonds shall be deposited in a fund established by the Office of the City Controller (the
10 "Controller") and appropriated by the Board of Supervisors at the direction of the Citizens'
11 General Obligation Bond Oversight Committee to cover the costs of such Committee and its
12 review process; now, therefore, be it

13 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
14 follows:

15 Section 1. Recitals. All of the recitals in this Resolution are true and correct.

16 Section 2. Conditions Precedent. All conditions, things and acts required by law to
17 exist, to happen and to be performed precedent to and in connection with the issuance of the
18 Series 2017A Bonds exist, have happened and have been performed in due time, form and
19 manner in accordance with applicable law, and the City is now authorized pursuant to the
20 Bond Election, the Charter and applicable law to incur indebtedness in the manner and form
21 provided in this Resolution.

22 Section 3. Documents. The documents presented to the Board of Supervisors and on
23 file with the Clerk of the Board of Supervisors or designee thereof (the "Clerk of the Board of
24 Supervisors") are contained in File No. _____.

1 Section 4. Issuance and Sale of Series 2017A Bonds; Determination of Certain Terms;

2 Designation. The Board of Supervisors authorizes the issuance and sale of not to exceed
3 \$176,000,000 in aggregate principal amount of Bonds to be designated as "City and County
4 of San Francisco Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016),
5 Series 2017A," for the purposes set forth in the Bond Ordinance and Proposition A approved
6 by the voters at the Bond Election.

7 The Director of Public Finance of the City or a designee thereof (the "Director of Public
8 Finance") is authorized to determine, for the Series 2017A Bonds, the sale date, the interest
9 rates, the definitive principal amount, the maturity dates and the redemption dates, if any, and
10 the terms of any optional or mandatory redemption, subject to the other specific provisions of
11 this Resolution, including the following terms and conditions: (i) the Series 2017A Bonds shall
12 not have a true interest cost (as such term is defined in the Official Notice of Sale for the
13 Bonds (the "Official Notice of Sale")) in excess of **[12]**%; and (ii) the Series 2017A Bonds shall
14 not have a final maturity date more than thirty (30) years from their date of issuance. The
15 Director of Public Finance is further authorized to give the Series 2017A Bonds such
16 additional or other series designation, or to modify such series designation, as may be
17 necessary or appropriate to distinguish the Series 2017A Bonds from every other series of
18 Bonds and from other bonds issued by the City.

19 Section 5. Authentication and Registration of the Series 2017A Bonds. Each of the

20 Series 2017A Bonds shall be in fully registered form without coupons in denominations of
21 \$5,000 or any integral multiple of that amount. The officers of the City are directed to cause
22 the Series 2017A Bonds to be prepared in sufficient quantity for delivery to or for the account
23 of their purchaser and the Director of Public Finance is directed to cause the blanks in the
24 Series 2017A Bonds to be completed in accordance with the Authorizing Resolution and the
25 Bond Award or Purchase Contract (as defined below), to procure their execution by the

1 proper officers of the City (including by facsimile signature if necessary or convenient, except
2 that any signature of the Clerk of the Board of Supervisors shall be by manual signature) and
3 authentication as provided in this Section, and to deliver the Series 2017A Bonds when so
4 executed and authenticated to the purchaser in exchange for the purchase price, all in
5 accordance with the Authorizing Resolution.

6 The Series 2017A Bonds and the certificate of authentication and registration, to be
7 manually executed by the Treasurer of the City or designee thereof (the "City Treasurer"), and
8 the form of assignment to appear on the Series 2017A Bonds shall be substantially in the
9 form attached as Exhibit A (a copy of which is on file with the Clerk of the Board of
10 Supervisors and which is declared to be a part of this Resolution as if fully set forth in this
11 Resolution), with necessary or appropriate variations, omissions and insertions as permitted
12 or required by this Resolution.

13 Only Series 2017A Bonds bearing a certificate of authentication and registration
14 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
15 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City
16 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
17 Series 2017A Bonds so authenticated have been duly authenticated and delivered under, and
18 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

19 The Controller shall assign a distinctive letter, or number, or letter and number to each
20 Series 2017A Bond authenticated and registered by the City Treasurer and shall maintain a
21 record thereof which shall be available for inspection.

22 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
23 the office of the City Treasurer or at the designated office of any registrar appointed by the
24 City Treasurer, separate and sufficient books for the registration and transfer of Series 2017A
25 Bonds, which books shall at all times be open to inspection, and upon presentation for such

1 purpose, the City Treasurer shall, under such reasonable regulations as he or she may
2 prescribe, register or transfer or cause to be registered or transferred, on such books, Series
3 2017A Bonds as provided in this Resolution. The City and the City Treasurer may treat the
4 registered owner of each Series 2017A Bond as its absolute owner for all purposes, and the
5 City and the City Treasurer shall not be affected by any notice to the contrary.

6 Section 7. Transfer or Exchange of Series 2017A Bonds. Any Series 2017A Bond
7 may, in accordance with its terms, be transferred upon the books required to be kept pursuant
8 to the provisions of Section 6, by the person in whose name it is registered, in person or by
9 the duly authorized attorney of such person in writing, upon surrender of such Series 2017A
10 Bond for cancellation, accompanied by delivery of a duly executed written instrument of
11 transfer in a form approved by the City Treasurer.

12 Any Series 2017A Bond may be exchanged at the office of the City Treasurer for a like
13 aggregate principal amount of other authorized denominations of the same interest rate and
14 maturity.

15 Whenever any Series 2017A Bond shall be surrendered for transfer or exchange, the
16 designated City officials shall execute (as provided in Section 5) and the City Treasurer shall
17 authenticate and deliver a new Series 2017A Bond of the same interest rate and maturity in a
18 like aggregate principal amount. The City Treasurer shall require the payment by any bond
19 owner requesting any such transfer of any tax or other governmental charge required to be
20 paid with respect to such transfer or exchange.

21 No transfer or exchange of Series of 2017A Bonds shall be required to be made by the
22 City Treasurer during the period from the Record Date (as defined in Section 8(b)) next
23 preceding each interest payment date to such interest payment date or after a notice of
24 redemption shall have been mailed with respect to such Series 2017A Bonds.
25

1 Section 8. Terms of the Series 2017A Bonds; General Redemption Provisions.

2 (a) Date of the Series 2017A Bonds. The Series 2017A Bonds shall be dated the
3 date of their delivery or such other date (the "Dated Date") as is specified in the Bond Award
4 or the Purchase Contract.

5 (b) Payment of the Series 2017A Bonds. The principal of the Series 2017A Bonds
6 shall be payable in lawful money of the United States of America to their owners, upon
7 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on
8 the Series 2017A Bonds shall be payable in like lawful money to the person whose name
9 appears on the bond registration books of the City Treasurer as the owner as of the close of
10 business on the last day of the month immediately preceding an interest payment date (the
11 "Record Date"), whether or not such day is a Business Day (as defined below).

12 Except as may be otherwise provided in connection with any book-entry only system
13 applicable to the Series 2017A Bonds, payment of the interest on any Series 2017A Bond
14 shall be made by check mailed on the interest payment date to such owner at such owner's
15 address as it appears on the registration books as of the Record Date; provided, that if any
16 interest payment date occurs on a day that banks in California or New York are closed for
17 business or the New York Stock Exchange is closed for business, then such payment shall be
18 made on the next succeeding day that banks in both California and New York are open for
19 business and the New York Stock Exchange is open for business (each, a "Business Day");
20 and provided, further, that the registered owner of an aggregate principal amount of at least
21 \$1,000,000 of Series 2017A Bonds may submit a written request to the City Treasurer on or
22 before a Record Date preceding an interest payment date for payment of interest on the next
23 succeeding interest payment date and thereafter by wire transfer to a commercial bank
24 located within the United States of America.

1 For so long as any Series 2017A Bonds are held in book-entry form by a securities
2 depository selected by the City pursuant to Section 11, payment shall be made to the
3 registered owner of the Series 2017A Bonds designated by such securities depository by wire
4 transfer of immediately available funds.

5 (c) Interest on the Series 2017A Bonds. The Series 2017A Bonds shall bear
6 interest at rates to be determined upon the sale of the Series 2017A Bonds, calculated on the
7 basis of a 360-day year comprised of twelve 30-day months, payable on **[June 15, 2017]** (or
8 such other date as may be designated in the Bond Award or the Purchase Contract), and
9 semiannually thereafter on June 15 and December 15 of each year. Each Series 2017A Bond
10 shall bear interest from the interest payment date next preceding the date of its authentication
11 unless it is authenticated as of a day during the period from the Record Date next preceding
12 any interest payment date to the interest payment date, inclusive, in which event it shall bear
13 interest from such interest payment date, or unless it is authenticated on or before the first
14 Record Date, in which event it shall bear interest from the Dated Date; provided, that if, at the
15 time of authentication of any Series 2017A Bond, interest is in default on the Series 2017A
16 Bonds, such Series 2017A Bond shall bear interest from the interest payment date to which
17 interest has previously been paid or made available for payment on the Series 2017A Bonds
18 or from the Dated Date if the first interest payment is not made.

19 (d) Optional Redemption. The Series 2017A Bonds shall be subject to optional
20 redemption prior to maturity as shall be provided in the Official Notice of Sale or the Purchase
21 Contract, as applicable.

22 (e) Mandatory Redemption. The Series 2017A Bonds shall be subject to
23 mandatory redemption as shall be designated by the purchaser pursuant to the terms of the
24 Official Notice of Sale or as designated in the Purchase Contract, as applicable.

1 The principal of and interest on the Series 2017A Bonds subject to mandatory
2 redemption shall be paid from the Series 2017A Bond Subaccount established in Section 9,
3 pursuant to Section 9. In lieu of any such mandatory redemption for Series 2017A Bonds, at
4 any time prior to the selection of Series 2017A Bonds for mandatory redemption, the City may
5 apply amounts on deposit in the Series 2017A Bond Subaccount to make such payment to
6 the purchase, at public or private sale, of Series 2017A Bonds subject to such mandatory
7 redemption, and when and at such prices not in excess of the principal amount thereof
8 (including sales commission and other charges but excluding accrued interest), as the City
9 may determine.

10 (f) Selection of Series 2017A Bonds for Redemption. Whenever less than all of the
11 outstanding Series 2017A Bonds are called for redemption on any date, the Director of Public
12 Finance will select the maturities of the Series 2017A Bonds to be redeemed in the sole
13 discretion of the Director of Public Finance. Whenever less than all of the outstanding Series
14 2017A Bonds maturing on any one date are called for redemption, the manner of selection of
15 the portion of such Series 2017A Bonds called for redemption shall be as specified in the
16 Official Statement for the Series 2017A Bonds.

17 (g) Notice of Redemption. The date on which Series 2017A Bonds that are called
18 for redemption are to be presented for redemption is called the "Redemption Date." The City
19 Treasurer shall mail, or cause to be mailed, notice of any redemption of Series 2017A Bonds,
20 postage prepaid, to the respective registered owners at the addresses appearing on the bond
21 registration books not less than twenty (20) nor more than sixty (60) days prior to the
22 Redemption Date. The notice of redemption shall (a) state the Redemption Date; (b) state the
23 redemption price; (c) state the maturity dates of the Series 2017A Bonds to be redeemed and,
24 if less than all of any such maturity is called for redemption, the distinctive numbers of the
25 Series 2017A Bonds of such maturity to be redeemed, and in the case of any Series 2017A

1 Bonds to be redeemed in part only, the respective portions of the principal amount to be
2 redeemed; (d) state the CUSIP number, if any, of each Series 2017A Bond to be redeemed;
3 (e) require that such Series 2017A Bonds be surrendered by the owners at the office of the
4 City Treasurer or his or her agent; and (f) give notice that interest on such Series 2017A Bond
5 or portion of Series 2017A Bond to be redeemed will cease to accrue after the Redemption
6 Date. Notice of optional redemption may be conditional upon receipt of funds or other event
7 specified in the notice of redemption as provided in subsection (j) of this Section 8.

8 The actual receipt by the owner of any Series 2017A Bond of notice of such
9 redemption shall not be a condition precedent to redemption, and failure to receive such
10 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
11 for the redemption of such Series 2017A Bonds or the cessation of accrual of interest on such
12 Series 2017A Bonds on the Redemption Date.

13 Notice of redemption also shall be given, or caused to be given by the City Treasurer,
14 by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission, (iii)
15 overnight delivery service, or (iv) to the extent acceptable to the intended recipient, email or
16 similar electronic means, to (a) all organizations registered with the Securities and Exchange
17 Commission as securities depositories and (b) such other services or organizations as may
18 be required in accordance with the Continuing Disclosure Certificate described in Section 19.

19 The notice or notices required for redemption shall be given by the City Treasurer or
20 any agent appointed by the City. A certificate of the City Treasurer or such other appointed
21 agent of the City that notice of redemption has been given to the owner of any Series 2017A
22 Bond to be redeemed in accordance with this Resolution shall be conclusive against all
23 parties.

24 (h) Series 2017A Redemption Account. At the time the Director of Public Finance
25 determines to optionally call and redeem any of the Series 2017A Bonds, the Controller or his

1 or her agent shall establish a redemption account to be described or known as the "General
2 Obligation Bonds, Series 2017A Redemption Account" (the "Series 2017A Redemption
3 Account"), and prior to or on the Redemption Date there must be set aside in the Series
4 2017A Redemption Account moneys available for the purpose and sufficient to redeem, as
5 provided in this Resolution, the Series 2017A Bonds designated in said notice of redemption,
6 subject to the provisions of subsection (j) of this Section. Such moneys must be set aside in
7 the Series 2017A Redemption Account solely for the purpose of, and shall be applied on or
8 after the Redemption Date to, payment of the redemption price of the Series 2017A Bonds to
9 be redeemed upon presentation and surrender of such Series 2017A Bonds. Any interest
10 due on or prior to the Redemption Date may be paid from the Series 2017A Bond Subaccount
11 as provided in Section 9 or from the Series 2017A Redemption Account. Moneys held from
12 time to time in the Series 2017A Redemption Account shall be invested by the City Treasurer
13 pursuant to the City's policies and guidelines for investment of moneys in the General Fund of
14 the City. If, after all of the Series 2017A Bonds have been redeemed and canceled or paid
15 and canceled, there are moneys remaining in the Series 2017A Redemption Account, such
16 moneys shall be transferred to the General Fund of the City or to such other fund or account
17 as required by applicable law; provided, that if such moneys are part of the proceeds of
18 refunding bonds, such moneys shall be transferred pursuant to the resolution authorizing such
19 refunding bonds.

20 (i) Effect of Redemption. When notice of optional redemption has been given
21 substantially as provided in this Resolution, and when the amount necessary for the
22 redemption of the Series 2017A Bonds called for redemption (principal, premium, if any, and
23 accrued interest to such Redemption Date) is set aside for that purpose in the Series 2017A
24 Redemption Account, the Series 2017A Bonds designated for redemption shall become due
25 and payable on the Redemption Date, and upon presentation and surrender of such Series

1 2017A Bonds at the place specified in the notice of redemption, such Series 2017A Bonds
2 shall be redeemed and paid at the redemption price out of the Series 2017A Redemption
3 Account. No interest will accrue on such Series 2017A Bonds called for redemption after the
4 Redemption Date and the registered owners of such Series 2017A Bonds shall look for
5 payment of such Series 2017A Bonds only to the Series 2017A Redemption Account. All
6 Series 2017A Bonds redeemed shall be canceled immediately by the City Treasurer and shall
7 not be reissued.

8 (j) Conditional Notice of Redemption; Rescission of Redemption. Any notice of
9 optional redemption given as provided in Section 8(g) may provide that such redemption is
10 conditioned upon: (i) deposit in the Series 2017A Redemption Account of sufficient moneys to
11 redeem the Series 2017A Bonds called for optional redemption on the anticipated
12 Redemption Date, or (ii) the occurrence of any other event specified in the notice of
13 redemption. If conditional notice of redemption has been given substantially as provided in
14 this subsection (j), and on the scheduled Redemption Date (i) sufficient moneys to redeem the
15 Series 2017A Bonds called for optional redemption on the Redemption Date have not been
16 deposited in the Series 2017A Redemption Account, or (ii) any other event specified in the
17 notice of redemption as a condition to the redemption has not occurred, then (y) the Series
18 2017A Bonds for which conditional notice of redemption was given shall not be redeemed on
19 the anticipated Redemption Date and shall remain Outstanding for all purposes of this
20 Resolution, and (z) the redemption not occurring shall not constitute a default under this
21 Resolution or the Authorizing Resolution.

22 The City may rescind any optional redemption and notice of it for any reason on any
23 date prior to any Redemption Date by causing written notice of the rescission to be given to
24 the owners of all Series 2017A Bonds so called for redemption. Notice of any such rescission
25 of redemption shall be given in the same manner notice of redemption was originally given.

1 The actual receipt by the owner of any Series 2017A Bond of notice of such rescission shall
2 not be a condition precedent to rescission, and failure to receive such notice or any defect in
3 such notice so mailed shall not affect the validity of the rescission.

4 Section 9. Series 2017A Bond Subaccount. There is established with the City
5 Treasurer a special subaccount in the General Obligation Bonds (Public Health and Safety,
6 2016) Bond Account (the "Bond Account") created pursuant to the Authorizing Resolution to
7 be designated as the "General Obligation Bonds, Series 2017A Bond Subaccount" (the
8 "Series 2017A Bond Subaccount"), to be held separate and apart from all other accounts of
9 the City. All interest earned on amounts on deposit in the Series 2017A Bond Subaccount
10 shall be retained in the Series 2017A Bond Subaccount.

11 On or prior to the date on which any payment of principal of or interest on the Series
12 2017A Bonds is due, including any Series 2017A Bonds subject to mandatory redemption on
13 such date, the City Treasurer shall allocate to and deposit in the Series 2017A Bond
14 Subaccount, from amounts held in the Bond Account, an amount which, when added to any
15 available moneys contained in the Series 2017A Bond Subaccount, is sufficient to pay
16 principal of and interest on the Series 2017A Bonds on such date.

17 On or prior to the date on which any Series 2017A Bonds are to be redeemed at the
18 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
19 in the Series 2017A Redemption Account, from amounts held in the Bond Account pursuant
20 to Section 8 of the Authorizing Resolution, an amount which, when added to any available
21 moneys contained in the Series 2017A Redemption Account, is sufficient to pay principal,
22 interest and premium, if any, with respect to such Series 2017A Bonds on such date. The
23 City Treasurer may make such other provision for the payment of principal of and interest and
24 any redemption premium on the Series 2017A Bonds as is necessary or convenient to permit
25 the optional redemption of the Series 2017A Bonds.

1 Amounts in the Series 2017A Bond Subaccount may be invested in any investment of
2 the City in which moneys in the General Fund of the City are invested. The City Treasurer
3 may (i) commingle any of the moneys held in the Series 2017A Bond Subaccount with other
4 City moneys or (ii) deposit amounts credited to the Series 2017A Bond Subaccount into a
5 separate fund or funds for investment purposes only; provided, that all of the moneys held in
6 the Series 2017A Bond Subaccount shall be accounted for separately notwithstanding any
7 such commingling or separate deposit by the City Treasurer.

8 Section 10. Series 2017A Project Subaccount. There is established with the City
9 Treasurer a special subaccount in the General Obligation Bonds (Public Health and Safety,
10 2016) Project Account (the "Project Account") created pursuant to the Authorizing Resolution
11 to be designated the "General Obligation Bonds, Series 2017A Project Subaccount" (the
12 "Series 2017A Project Subaccount"), to be held separate and apart from all other accounts of
13 the City. All interest earned on amounts on deposit in the Series 2017A Project Subaccount
14 shall be retained in the Series 2017A Project Subaccount. Amounts in the Series 2017A
15 Project Subaccount shall be expended in accordance with the provisions of the Authorizing
16 Resolution for the acquisition, construction or reconstruction of the Project (as defined in the
17 Authorizing Resolution).

18 Amounts in the Series 2017A Project Subaccount may be invested in any investment
19 of the City in which moneys in the General Fund of the City are invested. The City Treasurer
20 may (i) commingle any of the moneys held in the Series 2017A Project Subaccount with other
21 City moneys or (ii) deposit amounts credited to the Series 2017A Project Subaccount into a
22 separate fund or funds for investment purposes only; provided, that all of the moneys held in
23 the Series 2017A Project Subaccount (including interest earnings) shall be accounted for
24 separately notwithstanding any such comingling or separate deposit by the City Treasurer.

25

1 The City Treasurer is authorized to pay or cause to be paid from the proceeds of the
2 Series 2017A Bonds, on behalf of the City, the costs of issuance associated with the Series
3 2017A Bonds. Costs of issuance of the Series 2017A Bonds shall include, without limitation,
4 bond and financial printing expenses, mailing and publication expenses, rating agency fees,
5 the fees and expenses of paying agents, credit enhancers, registrars, financial consultants,
6 disclosure counsel and co-bond counsel, and the reimbursement of departmental expenses in
7 connection with the issuance of the Series 2017A Bonds.

8 Section 11. Appointment of Depositories and Other Agents. The City Treasurer is
9 authorized and directed to appoint one or more depositories as he or she may deem desirable
10 and the procedures set forth in Section 6, Section 7 and Section 8 relating to registration of
11 ownership of the Series 2017A Bonds and payments and redemption notices to owners of the
12 Series 2017A Bonds may be modified to comply with the policies and procedures of such
13 depository. The City will not have any responsibility or obligation to any purchaser of a
14 beneficial ownership interest in any Series 2017A Bonds or to any participants in such a
15 depository with respect to (i) the accuracy of any records maintained by such securities
16 depository or any participant therein; (ii) any notice that is permitted or required to be given to
17 the owners of Series 2017A Bonds under this Resolution; (iii) the selection by such securities
18 depository or any participant therein of any person to receive payment in the event of a partial
19 redemption of Series 2017A Bonds; (iv) the payment by such securities depository or any
20 participant therein of any amount with respect to the principal or redemption premium, if any,
21 or interest due with respect to Series 2017A Bonds; (v) any consent given or other action
22 taken by such securities depository as the owner of Series 2017A Bonds; or (vi) any other
23 matter.

24 The Depository Trust Company ("DTC") is appointed as depository for the Series
25 2017A Bonds. The Series 2017A Bonds shall be initially issued in book-entry form. Upon

1 initial issuance, the ownership of each Series 2017A Bond shall be registered in the bond
2 register in the name of Cede & Co., as nominee of DTC. So long as each Series 2017A Bond
3 is registered in book-entry form, each Series 2017A Bond shall be registered in the name of
4 Cede & Co. or in the name of such successor nominee as may be designated from time to
5 time by DTC or any successor as depository.

6 The City Treasurer is also authorized and directed to appoint one or more agents as he
7 or she may deem necessary or desirable. To the extent permitted by applicable law and
8 under the supervision of the City Treasurer, such agents may serve as paying agent, fiscal
9 agent, rebate calculation agent, escrow agent or registrar for the Series 2017A Bonds or may
10 assist the City Treasurer in performing any or all of such functions and such other duties as
11 the City Treasurer shall determine. Such agents shall serve under such terms and conditions
12 as the City Treasurer shall determine. The City Treasurer may remove or replace agents
13 appointed pursuant to this paragraph at any time.

14 Section 12. Defeasance Provisions. Payment of all or any portion of the Series 2017A
15 Bonds may be provided for prior to such Series 2017A Bonds' respective stated maturities by
16 irrevocably depositing with the Treasurer (or any commercial bank or trust company
17 designated by the Treasurer to act as escrow agent with respect thereto):

18 (a) An amount of cash equal to the principal amount of all of such Series 2017A
19 Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in the case
20 of Series 2017A Bonds which are to be redeemed prior to such Series 2017A Bonds'
21 respective stated maturities and in respect of which notice of such redemption shall have
22 been given as provided in Section 8 hereof or an irrevocable election to give such notice shall
23 have been made by the City, the amount to be deposited shall be the principal amount
24 thereof, all unpaid interest thereon to the Redemption Date, and any premium due on such
25 Redemption Date; or

1 (b) Defeasance Securities (as herein defined) not subject to call, except as provided
2 below in the definition thereof, maturing and paying interest at such times and in such
3 amounts; together with interest earnings and cash, if required, as will, without reinvestment,
4 as certified by an independent certified public accountant, be fully sufficient to pay the
5 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,
6 and any premium due on the Series 2017A Bonds to be paid or redeemed, as such principal
7 and interest come due; provided, that, in the case of the Series 2017A Bonds which are to be
8 redeemed prior to maturity, notice of such redemption shall be given as provided in Section 8
9 hereof or an irrevocable election to give such notice shall have been made by the City; then,
10 all obligations of the City with respect to such outstanding Series 2017A Bonds shall cease
11 and terminate, except only the tax covenants under Section 26 and the obligation of the City
12 to pay or cause to be paid from the funds deposited pursuant to paragraphs (a) or (b) of this
13 Section 12, to the owners of such Series 2017A Bonds all sums due with respect thereto; and
14 provided further, that the City shall have received an opinion of nationally recognized bond
15 counsel, that provision for the payment of such Series 2017A Bonds has been made in
16 accordance with this Section 12.

17 For purposes of this Section 12, "Defeasance Securities" shall mean any of the
18 following that at the time are legal investments under the laws of the State of California for the
19 moneys proposed to be invested:

20 (1) United States Obligations (as defined below); and

21 (2) Pre-refunded fixed interest rate municipal obligations meeting the following
22 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the
23 trustee or paying agent has been given irrevocable instructions concerning their calling and
24 redemption and the issuer has covenanted not to redeem such obligations other than as set
25 forth in such instructions; (b) the municipal obligations are secured by cash and/or United

1 States Obligations; (c) the principal of and interest on the United States Obligations (plus any
2 cash in the escrow fund or the redemption account) are sufficient to meet the liabilities of the
3 municipal obligations; (d) the United States Obligations serving as security for the municipal
4 obligations are held by an escrow agent or trustee; (e) the United States Obligations are not
5 available to satisfy any other claims, including those against the trustee or escrow agent; and
6 (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus
7 sign or other modifier), at the time of original deposit to the escrow fund, by any two Rating
8 Agencies (as defined below) not lower than the rating then maintained by such Rating
9 Agencies on such United States Obligations

10 For purposes of this Section 12, "United States Obligations" means (i) direct and
11 general obligations of the United States of America, or obligations that are unconditionally
12 guaranteed as to principal and interest by the United States of America, including without
13 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that
14 have been stripped by request to the Federal Reserve Bank of New York in book-entry form
15 or (ii) any security issued by an agency or instrumentality of the United States of America that
16 is selected by the Director of Public Finance that results in the escrow fund being rated by any
17 two Rating Agencies, at the time of the initial deposit to the escrow fund and upon any
18 substitution or subsequent deposit to the escrow fund, not lower than the rating then
19 maintained by the respective Rating Agency on United States Obligations described in clause
20 (i) above.

21 For purposes of this Section 12, "Rating Agencies" means Moody's Investors Service,
22 Inc., Fitch Ratings, and Standard and Poor's Rating Services, a division of The McGraw-Hill
23 Companies, Inc., or any other nationally recognized bond rating agency that is the successor
24 to any of the foregoing rating agencies or that is otherwise established after the date hereof.
25

1 Section 13. Sale of Series 2017A Bonds by Competitive or Negotiated Sale. The
2 Board of Supervisors authorizes the sale of the Series 2017A Bonds by solicitation of
3 competitive bids or by negotiated sale to one or more underwriters to be appointed in
4 accordance with City policies, if so determined by the Director of Public Finance.

5 Section 14. Official Notice of Sale; Receipt of Bids; Bond Award.

6 (a) Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids
7 for the Series 2017A Bonds submitted to the Board of Supervisors is approved and adopted
8 as the Official Notice of Sale inviting bids for the Series 2017A Bonds, with such changes,
9 additions and modifications as may be made in accordance with Section 20. The Director of
10 Public Finance is authorized and directed to cause to be mailed or otherwise circulated to
11 prospective bidders for the Series 2017A Bonds copies of the Official Notice of Sale, subject
12 to such corrections, revisions or additions as may be acceptable to the Director of Public
13 Finance.

14 (b) Receipt of Bids. Bids shall be received on the date designated by the Director
15 of Public Finance pursuant to Section 4.

16 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any
17 and all bids received for any reason. The Controller is authorized to award the Series 2017A
18 Bonds to the responsible bidder whose bid (a) is timely received and conforms to the Official
19 Notice of Sale, except to the extent informalities and irregularities are waived by the City as
20 permitted by the Official Notice of Sale, and (b) represents the lowest true interest cost to the
21 City in accordance with the procedures described in the Official Notice of Sale. The award, if
22 made, shall be set forth in a certificate signed by the Controller setting forth the terms of the
23 Series 2017A Bonds and the original purchasers (the "Bond Award"). The Controller shall
24 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board of
25

1 Supervisors and the Director of Public Finance; provided, that failure to provide such copy
2 shall not affect the validity of the Bond Award.

3 Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed
4 Notice of Intention to Sell the Series 2017A Bonds (the "Notice of Intention to Sell Bonds")
5 submitted to the Board of Supervisors is approved and adopted as the Notice of Intention to
6 Sell the Series 2017A Bonds, and the Director of Public Finance is authorized and directed to
7 cause the Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions
8 as may be made in accordance with Section 20, to be published once in *The Bond Buyer* or
9 another financial publication generally circulated throughout the State of California.

10 Section 16. Authorization of Negotiated Sale; Authorization to Select Underwriters;
11 Form of Purchase Contract Approval. The Controller, in consultation with the Director of
12 Public Finance, is hereby authorized to conduct the sale of the Series 2017A Bonds by
13 negotiated sale pursuant to one or more Purchase Contracts (each, a "Purchase Contract"),
14 each by and between the City and the underwriter(s) named therein (the "Underwriters"), if the
15 Controller determines that such manner of sale is in the best financial interest of the City,
16 such determination to be conclusively evidenced by the execution and delivery of such
17 Purchase Contract as hereinafter approved. The form of such Purchase Contract as
18 presented to this Board of Supervisors, a copy of which is on file with the Clerk of the Board,
19 is hereby approved. The Controller or the Director of Public Finance is hereby authorized to
20 execute such Purchase Contract with such changes, additions and modifications as the
21 Controller or the Director of Public Finance may make or approve in accordance with Section
22 20 hereof; provided however, that the Underwriters' discount under any such Purchase
23 Contract shall not exceed 2.00% of the principal amount of the Series 2017A Bonds.

24 In order to facilitate the sale of the Series 2017A Bonds by negotiated sale, the
25 Controller or the Director of Public Finance is hereby authorized and directed to appoint one

1 or more financial institutions to act as underwriter for the Series 2017A Bonds in accordance
2 with City policies and procedures, including, but not limited to, the City's policy to provide
3 locally disadvantaged minority business enterprises and women enterprises an equal
4 opportunity to participate in the performance of all City contracts.

5 Section 17. Disposition of Proceeds of Sale. The proceeds of sale of the Series
6 2017A Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any,
7 shall be deposited into the Series 2017A Bond Subaccount; (b) premium, if any, shall be
8 deposited into the Series 2017A Bond Subaccount in such amount not to exceed three years
9 of interest on the Series 2017A Bonds; and (iii) remaining proceeds of sale shall be deposited
10 into the Series 2017A Project Subaccount.

11 Section 18. Official Statement. The form of proposed Preliminary Official Statement
12 describing the Series 2017A Bonds (the "Preliminary Official Statement") submitted to the
13 Board of Supervisors is approved and adopted as the Preliminary Official Statement
14 describing the Series 2017A Bonds, with such additions, corrections and revisions as may be
15 determined to be necessary or desirable made in accordance with Section 20. The Controller
16 is authorized to cause the distribution of a Preliminary Official Statement deemed final for
17 purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the
18 Securities Exchange Act of 1934, as amended (the "Rule"), and to sign a certificate to that
19 effect. The Director of Public Finance is authorized and directed to cause to be printed and
20 mailed or electronically distributed to prospective bidders for the Series 2017A Bonds the
21 Preliminary Official Statement in substantially the form of the Preliminary Official Statement
22 approved and adopted by this Resolution, as completed, supplemented, corrected or revised.
23 The Controller is authorized and directed to approve, execute, and deliver the final Official
24 Statement with respect to the Series 2017A Bonds, which final Official Statement shall be in
25 the form of the Preliminary Official Statement, with such additions, corrections and revisions

1 as may be determined to be necessary or desirable made in accordance with Section 20 and
2 as are permitted under the Rule. The Director of Public Finance is authorized and directed to
3 cause to be printed and mailed or electronically distributed the final Official Statement to all
4 actual initial purchasers of the Series 2017A Bonds.

5 Section 19. Continuing Disclosure Certificate. The form of Continuing Disclosure
6 Certificate (the "Continuing Disclosure Certificate"), to be signed by the City to permit the
7 original purchasers of the Series 2017A Bonds to comply with the Rule, submitted to the
8 Board of Supervisors is approved and adopted as the Continuing Disclosure Certificate, with
9 such additions, corrections and revisions as may be determined to be necessary or desirable
10 made in accordance with Section 20. The Controller is authorized and directed to execute the
11 Continuing Disclosure Certificate on behalf of the City and deliver the Continuing Disclosure
12 Certificate to the original purchasers of the Series 2017A Bonds.

13 Section 20. Modification to Documents. Any City official authorized by this Resolution
14 to execute any document is further authorized, in consultation with the City Attorney and co-
15 bond counsel, to approve and make such changes, additions, amendments or modifications
16 to the document or documents such official is authorized to execute as may be necessary or
17 advisable (provided, that such changes, additions, amendments or modifications shall not
18 authorize an aggregate principal amount of Series 2017A Bonds in excess of \$176,000,000 or
19 conflict with the provisions of Section 4). The approval of any change, addition, amendment
20 or modification to any of the aforementioned documents shall be evidenced conclusively by
21 the execution and delivery of the document in question.

22 Section 21. Ratification. All actions previously taken by officials, employees and
23 agents of the City with respect to the sale and issuance of the Series 2017A Bonds,
24 consistent with any documents presented and this Resolution, are approved, confirmed and
25 ratified.

1 Section 22. Relationship to Authorizing Resolution. In the event of any conflict
2 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
3 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
4 Resolution, the City is not obligated to transfer money from the General Fund of the City to
5 the Bond Account to pay the principal of or interest on the Series 2017A Bonds.

6 Section 23. Accountability Reports. The Series 2017A Bonds are subject to
7 accountability requirements under the City's Administrative Code and the Bond Ordinance.
8 The deadline for submission of the Accountability report(s) under Administrative Code
9 section(s) 2.71 (a) and 2.71(b) are hereby waived with respect to the Series 2017A Bonds.
10 Accountability report(s) with respect to the Series 2017A Bonds shall be submitted in all other
11 respects in the manner required by the Administrative Code and the Bond Ordinance.

12 Section 24. Citizens' Oversight Committee. The Series 2017A Bonds are subject to,
13 and incorporate by reference, the applicable provisions of the San Francisco Administrative
14 Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond Oversight Committee"), and,
15 to the extent permitted by law, one tenth of one percent (0.1%) of the gross proceeds of the
16 Series 2017A Bonds shall be deposited into a fund established by the Controller's Office and
17 appropriated by the Board of Supervisors at the direction of the Citizens' General Obligation
18 Bond Oversight Committee to cover the costs of such committee.

19 Section 25. CEQA Determination. The Board of Supervisors hereby reaffirms and
20 incorporates by reference the CEQA findings and determinations set forth in the Bond
21 Ordinance as if set forth in full herein. The use of bond proceeds to finance any project or
22 portion of any project with Bond proceeds will be subject, as necessary, to approval of the
23 Board of Supervisors upon completion of any planning and any further required environmental
24 review under CEQA for the individual facilities and projects.

25

1 Section 26. Covenants to Maintain Tax-Exempt Status.

2 (a) Definitions. When used in this Section, the following terms have the following
3 meanings:

4 "Closing Date" means the date on which the Series 2017A Bonds are first
5 authenticated and delivered to the initial purchasers against payment therefor.

6 "Code" means the Internal Revenue Code of 1986, as amended by all legislation, if
7 any, effective on or before the Closing Date.

8 "Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

9 "Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the
10 Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the
11 Regulations, of the Series 2017A Bonds.

12 "Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

13 "Nonpurpose Investment" means any investment property, as defined in section 148(b)
14 of the Code, in which Gross Proceeds of the Series 2017A Bonds are invested and which is
15 not acquired to carry out the governmental purposes of the Series 2017A Bonds.

16 "Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

17 "Regulations" means any proposed, temporary, or final Income Tax Regulations issued
18 pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue
19 Code of 1954, which are applicable to the Series 2017A Bonds. Any reference to any specific
20 Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax
21 Regulation designed to supplement, amend or replace the specific Regulation referenced.

22 "Yield" of

23 (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations;

24 and

1 (2) the Series 2017A Bonds has the meaning set forth in Section 1.148-4 of the
2 Regulations.

3 (b) Not to Cause Interest to Become Taxable. The City shall not use, permit the
4 use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition,
5 construction or improvement of which is to be financed directly or indirectly with Gross
6 Proceeds) in a manner which if made or omitted, respectively, would cause the interest on
7 any Bond to become includable in the gross income, as defined in section 61 of the Code, of
8 the owner thereof for federal income tax purposes. Without limiting the generality of the
9 foregoing, unless and until the City receives a written opinion of counsel nationally recognized
10 in the field of municipal bond law to the effect that failure to comply with such covenant will not
11 adversely affect the exemption from federal income tax of the interest on any Bond, the City
12 shall comply with each of the specific covenants in this Section.

13 (c) No Private Use or Private Payments. Except as permitted by section 141 of the
14 Code and the Regulations and rulings thereunder, the City shall at all times prior to the last
15 stated maturity of Series 2017A Bonds:

16 (1) exclusively own, operate and possess all property the acquisition, construction
17 or improvement of which is to be financed or refinanced directly or indirectly with Gross
18 Proceeds of the Series 2017A Bonds, and not use or permit the use of such Gross Proceeds
19 (including all contractual arrangements with terms different than those applicable to the
20 general public) or any property acquired, constructed or improved with such Gross Proceeds
21 in any activity carried on by any person or entity (including the United States or any agency,
22 department and instrumentality thereof) other than a state or local government, unless such
23 use is solely as a member of the general public; and

24 (2) not directly or indirectly impose or accept any charge or other payment by any
25 person or entity who is treated as using Gross Proceeds of the Series 2017A Bonds or any

1 property the acquisition, construction or improvement of which is to be financed or refinanced
2 directly or indirectly with such Gross Proceeds, other than taxes of general application within
3 the City or interest earned on investments acquired with such Gross Proceeds pending
4 application for their intended purposes.

5 (d) No Private Loan. Except to the extent permitted by section 141 of the Code and
6 the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Series
7 2017A Bonds to make or finance loans to any person or entity other than a state or local
8 government. For purposes of the foregoing covenant, such Gross Proceeds are considered
9 to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with
10 such Gross Proceeds is sold or leased to such person or entity in a transaction which creates
11 a debt for federal income tax purposes; (2) capacity in or service from such property is
12 committed to such person or entity under a take-or-pay, output or similar contract or
13 arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross
14 Proceeds or any property acquired, constructed or improved with such Gross Proceeds are
15 otherwise transferred in a transaction which is the economic equivalent of a loan.

16 (e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of
17 the Code and the Regulations and rulings thereunder, the City shall not at any time prior to
18 the final stated maturity of the Series 2017A Bonds directly or indirectly invest Gross
19 Proceeds in any Investment, if as a result of such investment the Yield of any Investment
20 acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the
21 Yield of the Series 2017A Bonds.

22 (f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of
23 the Code and the Regulations and rulings thereunder, the City shall not take or omit to take
24 any action which would cause the Series 2017A Bonds to be federally guaranteed within the
25 meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

1 (g) Information Report. The City shall timely file the information required by section
2 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and
3 in such place as the Secretary may prescribe.

4 (h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section
5 148(f) of the Code and the Regulations and rulings thereunder:

6 (1) The City shall account for all Gross Proceeds (including all receipts, expenditures
7 and investments thereof) on its books of account separately and apart from all other funds
8 (and receipts, expenditures and investments thereof) and shall retain all records of accounting
9 for at least six years after the day on which the last outstanding Bond is discharged.

10 However, to the extent permitted by law, the City may commingle Gross Proceeds of the
11 Series 2017A Bonds with other money of the City, provided that the City separately accounts
12 for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

13 (2) Not less frequently than each Computation Date, the City shall calculate the
14 Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the
15 Regulations and rulings thereunder. The City shall maintain such calculations with its official
16 transcript of proceedings relating to the issuance of the Series 2017A Bonds until six years
17 after the final Computation Date.

18 (3) As additional consideration for the purchase of the Series 2017A Bonds by the
19 initial purchasers and the loan of the money represented thereby and in order to induce such
20 purchase by measures designed to ensure the excludability of the interest thereon from the
21 gross income of the owners thereof for federal income tax purposes, the City shall pay to the
22 United States the amount that when added to the future value of previous rebate payments
23 made for the Series 2017A Bonds equals (i) in the case of a Final Computation Date as
24 defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the
25 Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety

1 percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be
2 made at the times, in the installments, to the place and in the manner as is or may be required
3 by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be
4 accompanied by Form 8038-T or such other forms and information as is or may be required
5 by Section 148(f) of the Code and the Regulations and rulings thereunder.

6 (4) The City shall exercise reasonable diligence to assure that no errors are made in
7 the calculations and payments required by paragraphs (2) and (3), and if an error is made, to
8 discover and promptly correct such error within a reasonable amount of time thereafter (and in
9 all events within one hundred eighty (180) days after discovery of the error), including
10 payment to the United States of any additional Rebate Amount owed to it, interest thereon,
11 and any penalty imposed under Section 1.148-3(h) of the Regulations.

12 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of
13 the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to
14 the earlier of the stated maturity or final payment of the Series 2017A Bonds, enter into any
15 transaction that reduces the amount required to be paid to the United States pursuant to
16 Subsection (h) of this Section because such transaction results in a smaller profit or a larger
17 loss than would have resulted if the transaction had been at arm's length and had the Yield of
18 the Series 2017A Bonds not been relevant to either party.

19 (j) Elections. The City hereby directs and authorizes the _____ and
20 _____, either or any combination of them, to make elections permitted or required
21 pursuant to the provisions of the Code or the Regulations, as they deem necessary or
22 appropriate in connection with the Series 2017A Bonds, in the Certificate as to Tax Exemption
23 or similar or other appropriate certificate, form or document.

1 Section 27. General Authority. The Clerk of the Board of Supervisors, the Mayor, the
2 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each
3 authorized and directed in the name and on behalf of the City to take any and all steps and to
4 issue, deliver or enter into any and all certificates, requisitions, agreements, notices,
5 consents, and other documents as may be necessary to give effect to the provisions of this
6 Resolution, including but not limited to letters of representations to any depository or
7 depositories, which they or any of them might deem necessary or appropriate in order to
8 consummate the lawful issuance, sale and delivery of the Series 2017A Bonds. Any such
9 actions are solely intended to further the purposes of this Resolution, and are subject in all
10 respects to the terms of this Resolution. No such actions shall increase the risk to the City or
11 require the City to spend any resources not otherwise granted herein. Final versions of any
12 such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the
13 official file within 30 days (or as soon thereafter as final documents are available) of execution
14 by all parties.

15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA City Attorney

18
19 By: _____
20 Kenneth D. Roux
21 Deputy City Attorney

1
2 **Exhibit A**

3 Unless this bond is presented by an authorized representative of The Depository Trust
4 Company, a New York corporation ("DTC"), to City or its agent for registration of transfer,
5 exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in
6 such other name as is requested by an authorized representative of DTC (and any payment is
7 made to Cede & Co. or to such other entity as is requested by an authorized representative of
DTC), ANY TRANSFER, PLEDGE, OR OTHER USE OF THIS BOND FOR VALUE OR
OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner
hereof, Cede & Co., has an interest herein.

8 Number R-____ UNITED STATES OF AMERICA Amount \$_____
STATE OF CALIFORNIA

9
10 CITY AND COUNTY OF SAN FRANCISCO
11 TAX-EXEMPT GENERAL OBLIGATION BONDS
(PUBLIC HEALTH AND SAFETY, 2016),
12 SERIES 2017A

13 Interest Rate	Maturity Date	Dated	CUSIP Number
____%	June 15, 20__	_____, 20__	_____

14
15 REGISTERED OWNER: Cede & Co.

16 PRINCIPAL AMOUNT: _____ Dollars

17
18 The City and County of San Francisco, State of California (the "**City**"), acknowledges
19 itself indebted to and promises to pay to the Registered Owner specified above or registered
20 assigns, on the Maturity Date specified above, the Principal Amount of this bond specified
21 above in lawful money of the United States of America, and to pay interest on the Principal
22 Amount in like lawful money from the interest payment date next preceding the date of
23 authentication of this bond (unless this bond is authenticated as of the day during the period
24 from the last day of the month next preceding any interest payment date (the "**Record Date**")
25 to such interest payment date, inclusive, in which event it shall bear from such interest

1 payment date, or unless this bond is authenticated on or before _____, 201_, in which
2 event it shall bear interest from its dated date) until payment of such Principal Amount, at the
3 Interest Rate per year specified above calculated on the basis of a 360-day year comprised of
4 twelve 30-day months, payable on _____, 201_ and semiannually thereafter on June 15
5 and December 15 in each year; *provided*, that if any interest payment date occurs on a day
6 that banks in California or New York are closed for business or the New York Stock Exchange
7 is closed for business, then such payment shall be made on the next succeeding day that
8 banks in both California and New York are open for business and the New York Stock
9 Exchange is open for business (a "**Business Day**"). The principal of this bond is payable to
10 the Registered Owner of this bond upon the surrender of this bond at the office of the
11 Treasurer of the City (the "**City Treasurer**"). The interest on this bond is payable to the
12 person whose name appears on the bond registration books of the City Treasurer as the
13 Registered Owner of this bond as of the close of business on the Record Date immediately
14 preceding an interest payment date, whether or not such day is a Business Day, such interest
15 to be paid by check mailed on the interest payment date to such Registered Owner at the
16 owner's address as it appears on such registration books; *provided*, that the Registered
17 Owner of bonds in an aggregate principal amount of at least \$1,000,000 may submit a written
18 request to the City Treasurer on or before the Record Date preceding any interest payment
19 date for payment of interest by wire transfer to a commercial bank located in the United States
20 of America.

21 This bond is one of a duly authorized issue of bonds (the "**Bonds**") of like tenor (except
22 for such variations, if any, as may be required to designate varying numbers, denominations,
23 interest rates and maturities), in the aggregate principal amount of \$_____, which is
24 part of a bond authorization in the aggregate original principal amount of \$350,000,000
25 authorized by the affirmative votes of more than two-thirds of the voters voting at a special

1 election duly and legally called, held and conducted in the City on June 7, 2016 and is issued
2 and sold by the City pursuant to and in strict conformity with the provisions of the Constitution
3 and laws of the State of California, the Charter of the City and resolutions adopted by the
4 Board of Supervisors of the City (the "**Board of Supervisors**") on February 9, 2016, July 12,
5 2016, and _____, 2016 (collectively, together with the related Certificate of Award, the
6 "**Resolutions**").

7 The Bonds are issuable as fully registered bonds without coupons in the
8 denominations of \$5,000 or any integral multiple of such amount, *provided* that no bond shall
9 have principal maturing on more than one principal maturity date. Subject to the limitations
10 and conditions and upon payment of the charges, if any, provided in the Resolutions, the
11 Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized
12 denominations of the same interest rate and maturity.

13 This bond is transferable by its registered owner, in person or by its attorney duly
14 authorized in writing, at the office of the City Treasurer, but only in the manner, subject to the
15 limitations and upon payment of the charges provided in the Resolutions, and upon surrender
16 and cancellation of this bond. Upon such transfer, a new bond or bonds of authorized
17 denomination or denominations for the same interest rate and same aggregate principal
18 amount will be issued to the transferee in exchange for this bond.

19 The City Treasurer will not be required to exchange or register the transfer of this bond
20 during the period (a) from the Record Date for an interest payment date to the opening of
21 business on such interest payment date or (b) after notice of redemption of this bond or any
22 portion of this bond has been mailed.

23 Bonds maturing on and before June 15, 20__, are not redeemable prior to their
24 maturity.

25 Bonds maturing on and after June 15, 20__, are subject to optional redemption from

1 any available funds, in whole or in part, on any date on or after June 15, 20__, at a price
2 equal to their principal amount plus in each case accrued interest to the date of redemption,
3 without redemption premium. If less than all of the outstanding Bonds are to be redeemed,
4 they may be redeemed in any order of maturity as determined by the City. If less than all of
5 the outstanding Bonds of a maturity are to be redeemed, the Bonds or portions of Bonds of
6 such maturity to be redeemed shall be selected by the City Treasurer, in authorized
7 denominations of \$5,000 or integral multiples of that amount, from among Bonds of that
8 maturity not previously called for redemption, by lot, in any manner which the City Treasurer
9 deems fair.

10 Bonds maturing on June 15, 20__, are subject to mandatory sinking fund redemption
11 on June 15 of each of the years 20__ through 20__, inclusive, and at maturity in the
12 respective amounts provided in the Resolutions.

13 Bonds maturing on June 15, 20__, are subject to mandatory sinking fund redemption
14 on June 15 of each of the years 20__ through 20__, inclusive, and at maturity in the
15 respective amounts provided in the Resolutions.

16 Notice of the redemption of Bonds which by their terms shall have become subject to
17 redemption shall be given or caused to be given to the registered owner of each bond or
18 portion of a bond called for redemption not less than 20 or more than 60 days before any date
19 established for redemption of Bonds, by the City Treasurer on behalf of the City, first class
20 mail, postage prepaid, sent to the registered owner's last address, if any, appearing on the
21 registration books kept by the City Treasurer. Official notices of redemption will contain the
22 information specified in the Resolutions.

23 On or prior to any Redemption Date, the City is required to deposit an amount of
24 money sufficient to pay the redemption price of all of the Bonds or portions of Bonds which
25 are to be redeemed on that date or, in the case of optional redemptions only, the optional

1 redemption and notice of it will be rescinded and the City's failure to deposit such amount will
2 not be a default. In addition, the City may at its option rescind any optional redemption and
3 notice of it for any reason on any date prior to the applicable Redemption Date. Notice of
4 rescission of an optional redemption shall be given in the same manner as notice of
5 redemption was originally given,

6 Official notice of redemption having been given as aforesaid, the Bonds or portions of
7 Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the
8 redemption price therein specified, and from and after such date (unless such redemption and
9 notice of it shall have been rescinded or unless the City shall default in the payment of the
10 redemption price), such Bonds or portions of Bonds shall cease to bear interest. Neither the
11 failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular
12 registered owner, shall affect the sufficiency of such notice with respect to other Bonds.

13 Notice of redemption, or notice of rescission of an optional redemption, having been
14 properly given, failure of a registered owner to receive such notice shall not be deemed to
15 invalidate, limit or delay the effect of the notice or redemption action described in the notice.

16 The City and the City Treasurer may treat the registered owner of this bond as the
17 absolute owner of this bond for all purposes, and the City and the City Treasurer shall not be
18 affected by any notice to the contrary.

19 The City Treasurer may appoint agents to serve as bond registrar or paying agent, as
20 provided in the Resolutions.

21 The Board of Supervisors certifies, recites and declares that the total amount of
22 indebtedness of the City, including the amount of this bond, is within the limit provided by law,
23 that all acts, conditions and things required by law to be done or performed precedent to and
24 in the issuance of this bond have been done and performed in strict conformity with the laws
25 authorizing the issuance of this bond, that this bond is in the form prescribed by order of the

1 Board of Supervisors duly made and entered on its minutes, and the money for the payment
2 of principal of this bond, and the payment of interest thereon, shall be raised by taxation upon
3 the taxable property of the City as provided in the Resolutions.

4 This bond shall not be entitled to any benefit under the Resolutions, or become valid or
5 obligatory for any purpose, until the certificate of authentication and registration on this bond
6 shall have been signed by the City Treasurer.

7 IN WITNESS WHEREOF the Board of Supervisors has caused this bond to be
8 executed by the Mayor of the City and to be countersigned by the Clerk of the Board of
9 Supervisors, all as of _____, 2016.

10

11

Mayor of the City and
County of San Francisco

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Countersigned:

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Clerk of the Board of Supervisors

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1 CERTIFICATE OF REGISTRATION AND AUTHENTICATION

2 This is one of the bonds described in the within-mentioned Resolutions, which
3 has been authenticated on the date set forth below.

4 Date of Authentication: _____
5
6

7 _____
8 Treasurer of the
9 City and County of San Francisco
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1 ASSIGNMENT

2 The following abbreviations, when used in the inscription on this Bond, shall be
3 construed as though they were written out in full according to applicable laws or regulations:

4 Unif Gift Min Act - _____ Custodian _____
5 (Cust) (Minor)
6
7 under Uniform Gifts to Minors Act _____
8 (State)

9 TEN COM - as tenants in common
10 TEN ENT - as tenants by the entireties
11 JT TEN - as joint tenants with right of survivorship and not
12 as tenants in common

13 _____
14 (Name and Address of Assignee)

15 the within Bond and does irrevocably constitute and appoint _____
16 attorney to transfer the such Bond on the books kept for registration thereof with full power of
17 substitution in the premises.

18
19 /s/ _____

20 Dated:

21 Signature guaranteed:

22 **Notice:** The signature to this assignment must correspond with the name of the
23 registered owner as it appears upon the face of the within Bond in every
24 particular, without alteration or enlargement or any change whatever.

25 **Notice:** The signature(s) should be guaranteed by an eligible guarantor institution
(banks, stockbrokers, savings and loan associations and credit unions with
membership in approved Signature Guarantee Medallion Program).