

1 [Sale of Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016), Series
2 2018E - Not to Exceed \$52,500,000]

3

4 **Resolution authorizing the issuance and sale of not to exceed \$52,500,000**
5 **aggregate principal amount of City and County of San Francisco Tax-Exempt**
6 **General Obligation Bonds (Public Health and Safety, 2016), Series 2018E;**
7 **prescribing the form and terms of such bonds; providing for the appointment of**
8 **depositories and other agents for such bonds; providing for the establishment of**
9 **accounts and/or subaccounts related to such bonds; authorizing the sale of such**
10 **bonds by competitive or negotiated sale; approving the forms of Official Notice of**
11 **Sale and Notice of Intention to Sell Bonds and directing the publication of the**
12 **Notice of Intention to Sell Bonds; approving the form of the Bond Purchase**
13 **Contract; approving the form of the Preliminary Official Statement and the**
14 **execution of the Official Statement relating to the sale of such bonds; approving**
15 **the form of the Continuing Disclosure Certificate; authorizing and approving**
16 **modifications to such documents; ratifying certain actions previously taken, as**
17 **defined herein; and granting general authority to City Officials to take necessary**
18 **actions in connection with the authorization, issuance, sale, and delivery of such**
19 **bonds, as defined herein.**

20 WHEREAS, by Resolution No. 50-16 adopted by the Board of Supervisors (the
21 “Board of Supervisors”) of the City and County of San Francisco (the “City”) on February
22 9, 2016, and approved by the Mayor of the City (the “Mayor”) on February 18, 2016, it
23 was determined and declared that public interest and necessity demand the
24 rehabilitation, improvement and seismic upgrade of public health and safety facilities,
25 including making seismic upgrades and improvements to the Pricilla Chan and Mark
26 Zuckerberg San Francisco General Hospital campus, the renovation of and construction

1 of a new addition to the South East Health Center; the improvement of high-demand
2 community health centers with the expansion of and access to mental health, urgent
3 care, substance abuse, dental, and social services; the construction of a seismically
4 safe Ambulance Deployment Facility, and the modernization and upgrade of
5 neighborhood fire stations Citywide; and the improvement and increased capacity of
6 facilities to better serve homeless individuals and families at City-owned shelters and
7 homeless service sites, and the payment of related costs necessary or convenient for
8 the foregoing purposes; and

9 WHEREAS, by Ordinance No. 22-16 adopted by the Board of Supervisors on
10 February 23, 2016, and approved by the Mayor on February 26, 2016 (the “Bond
11 Ordinance”), the Board of Supervisors duly called a special election to be held on June
12 7, 2016, for the purpose of submitting to the qualified voters of the City a proposition to
13 incur bonded indebtedness of the City in the amount of \$350,000,000, to finance the
14 construction, acquisition, improvement, seismic strengthening and betterment of critical
15 community and mental health, emergency response and safety, and homeless shelter
16 and service facilities and related costs necessary or convenient for the foregoing
17 purposes, as described therein (collectively, the “Project”, as also defined in the
18 hereinafter defined Authorizing Resolution); and

19 WHEREAS, a special election was held in the City on June 7, 2016 (the “Bond
20 Election”), for the purpose of submitting to the qualified voters of the City such
21 proposition and such proposition was approved by two-thirds of the qualified voters of
22 the City voting on such proposition, and declaration of such Bond Election results was
23 made by the Board of Supervisors pursuant to Resolution No. 286-16, adopted by the
24 Board of Supervisors of the City on July 12, 2016, and approved by the Mayor on July
25 20, 2016; and

1 WHEREAS, by Resolution No. 514-16 (the "Authorizing Resolution"), adopted by
2 the Board of Supervisors on December 6, 2016, and approved by the Mayor on
3 December 16, 2016, the City authorized the issuance of the City and County of San
4 Francisco Taxable and Tax-Exempt General Obligation Bonds (Public Health and
5 Safety, 2016) (the "Bonds") in the amount of \$350,000,000; and

6 WHEREAS, by Resolution No. 515-16, adopted by the Board of Supervisors on
7 December 6, 2016, and approved by the Mayor on December 16, 2016, the City was
8 authorized to issue the first series of the Bonds, its General Obligation Bonds (Public
9 Health and Safety, 2016), Series 2017A in an aggregate principal amount not to exceed
10 \$176,000,000, which Series 2017A Bonds were subsequently issued in the aggregate
11 principal amount of \$173,120,000; and

12 WHEREAS, the City has issued and sold, to date, a total of \$173,120,000 of the
13 Bonds, and there remains \$176,880,000 of authorized and unissued Bonds; and

14 WHEREAS, it is necessary and desirable to issue the second series of the
15 Bonds, in an aggregate principal amount of the Bonds in an amount not to exceed
16 \$52,500,000 (the "Series 2018E Bonds"), to finance a portion of the costs of the Project;

17 WHEREAS, the Series 2018E Bonds are being issued pursuant to the
18 Authorizing Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the
19 California Government Code (the "Government Code"), the Charter of the City (the
20 "Charter"), the Bond Ordinance and the Bond Election; and

21 WHEREAS, pursuant to the applicable provisions of the San Francisco
22 Administrative Code (the "Administrative Code") Sections 5.30-5.36, the Citizens'
23 General Obligation Bond Oversight Committee shall conduct an annual review of bond
24 spending and shall provide an annual report on the management of the program to the
25 Mayor and the Board of Supervisors, and, to the extent permitted by law, one-tenth of

1 one percent (0.1%) of the gross proceeds of the Series 2018E Bonds shall be deposited
2 in a fund established by the Office of the City Controller (the "Controller") and
3 appropriated by the Board of Supervisors at the direction of the Citizens' General
4 Obligation Bond Oversight Committee to cover the costs of such committee and its
5 review process; and

6 NOW, THEREFORE, BE IT RESOLVED, By the Board of Supervisors of the City
7 and County of San Francisco, as follows:

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

9 Section 2. Conditions Precedent. All conditions, things and acts required by law
10 to exist, to happen and to be performed precedent to and in connection with the
11 issuance of the Series 2018E Bonds exist, have happened and have been performed in
12 due time, form and manner in accordance with applicable law, and the City is now
13 authorized pursuant to the Bond Election, the Authorizing Resolution, the Charter and
14 applicable law to incur indebtedness in the manner and form provided in this Resolution.

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

18 Section 4. Issuance and Sale of Series 2018E Bonds; Determination of Certain
19 Terms; Designation. The Board of Supervisors authorizes the issuance and sale of not
20 to exceed \$52,500,000 in aggregate principal amount of Bonds to be designated as
21 "City and County of San Francisco Tax-Exempt General Obligation Bonds (Public
22 Health and Safety, 2016), Series 2018E," for the purposes set forth in the Bond
23 Ordinance and Proposition A approved by the voters at the Bond Election.

24 The Director of Public Finance of the City or a designee thereof (the "Director of
25 Public Finance") is authorized to determine, for the Series 2018E Bonds, the sale date,

1 the interest rates, the definitive principal amount, the maturity dates and the redemption
2 dates, if any, and the terms of any optional or mandatory redemption, subject to the
3 other specific provisions of this Resolution, including the following terms and conditions:
4 (a) the Series 2018E Bonds shall not have a true interest cost (as such term is defined
5 in the Official Notice of Sale (as defined in Section 14) for the Series 2018E Bonds) in
6 excess of 12%; and (b) the Series 2018E Bonds shall not have a final maturity date
7 more than 30 years from their date of issuance. The Director of Public Finance is
8 further authorized to give the Series 2018E Bonds such additional or other series
9 designation, or to modify such series designation, as may be necessary or appropriate
10 to distinguish the Series 2018E Bonds from every other series of Bonds and from other
11 bonds issued by the City.

12 Section 5. Authentication and Registration of the Series 2018E Bonds. Each of
13 the Series 2018E Bonds shall be in fully registered form without coupons in
14 denominations of \$5,000 or any integral multiple of that amount. The officers of the City
15 are directed to cause the Series 2018E Bonds to be prepared in sufficient quantity for
16 delivery to or for the account of their purchaser and the Director of Public Finance is
17 directed to cause the blanks in the Series 2018E Bonds to be completed in accordance
18 with the Authorizing Resolution, this Resolution and the Bond Award or Bond Purchase
19 Contract (as defined below), to procure their execution by the proper officers of the City
20 (including by facsimile signature if necessary or convenient, except that any signature of
21 the Clerk of the Board of Supervisors shall be by manual signature) and authentication
22 as provided in this Section, and to deliver the Series 2018E Bonds when so executed
23 and authenticated to the purchaser in exchange for the purchase price, all in
24 accordance with the Authorizing Resolution.

1 The Series 2018E Bonds and the certificate of authentication and registration, to
2 be manually executed by the Treasurer of the City or designee thereof (the “City
3 Treasurer”), and the form of assignment to appear on the Series 2018E Bonds shall be
4 substantially in the form attached as Exhibit A (a copy of which is on file with the Clerk
5 of the Board of Supervisors and which is declared to be a part of this Resolution as if
6 fully set forth in this Resolution), with necessary or appropriate variations, omissions
7 and insertions as permitted or required by this Resolution.

8 Only Series 2018E Bonds bearing a certificate of authentication and registration
9 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to
10 the benefits of the Authorizing Resolution and this Resolution, and such certificate of the
11 City Treasurer, executed as provided in this Resolution, shall be conclusive evidence
12 that the Series 2018E Bonds so authenticated have been duly authenticated and
13 delivered under, and are entitled to the benefits of, the Authorizing Resolution and this
14 Resolution.

15 The Controller shall assign a distinctive letter, or number, or letter and number to
16 each Series 2018E Bond authenticated and registered by the City Treasurer and shall
17 maintain a record thereof which shall be available for inspection.

18 Section 6. Registration Books. The City Treasurer shall keep or cause to be
19 kept, at the office of the City Treasurer or at the designated office of any registrar
20 appointed by the City Treasurer, separate and sufficient books for the registration and
21 transfer of Series 2018E Bonds, which books shall at all times be open to inspection,
22 and upon presentation for such purpose, the City Treasurer shall, under such
23 reasonable regulations as he or she may prescribe, register or transfer or cause to be
24 registered or transferred, on such books, Series 2018E Bonds as provided in this
25 Resolution. The City and the City Treasurer may treat the registered owner of each

1 Series 2018E Bond as its absolute owner for all purposes, and the City and the City
2 Treasurer shall not be affected by any notice to the contrary.

3 Section 7. Transfer or Exchange of Series 2018E Bonds. Any Series 2018E
4 Bond may, in accordance with its terms, be transferred upon the books required to be
5 kept pursuant to the provisions of Section 6, by the person in whose name it is
6 registered, in person or by the duly authorized attorney of such person in writing, upon
7 surrender of such Series 2018E Bond for cancellation, accompanied by delivery of a
8 duly executed written instrument of transfer in a form approved by the City Treasurer.

9 Any Series 2018E Bond may be exchanged at the office of the City Treasurer for
10 a like aggregate principal amount of other authorized denominations of the same
11 interest rate and maturity.

12 Whenever any Series 2018E Bond shall be surrendered for transfer or exchange,
13 the designated City officials shall execute (as provided in Section 5) and the City
14 Treasurer shall authenticate and deliver a new Series 2018E Bond of the same interest
15 rate and maturity in a like aggregate principal amount. The City Treasurer shall require
16 the payment by any bond owner requesting any such transfer of any tax or other
17 governmental charge required to be paid with respect to such transfer or exchange.

18 No transfer or exchange of Series of 2018E Bonds shall be required to be made
19 by the City Treasurer during the period from the Record Date (as defined in Section
20 8(b)) next preceding each interest payment date to such interest payment date or after a
21 notice of redemption shall have been mailed with respect to such Series 2018E Bonds.

22 Section 8. Terms of the Series 2018E Bonds; General Redemption Provisions.

23 (a) Date of the Series 2018E Bonds. The Series 2018E Bonds shall be
24 dated the date of their delivery or such other date (the "Dated Date") as is specified in
25 the Bond Award or the Bond Purchase Contract.

1 (b) Payment of the Series 2018E Bonds. The principal of the Series
2 2018E Bonds shall be payable in lawful money of the United States of America to their
3 owners, upon surrender at maturity or earlier redemption at the office of the City
4 Treasurer. The interest on the Series 2018E Bonds shall be payable in like lawful
5 money to the person whose name appears on the bond registration books of the City
6 Treasurer as the owner as of the close of business on the last day of the month
7 immediately preceding an interest payment date (the "Record Date"), whether or not
8 such day is a Business Day (as defined below).

9 Except as may be otherwise provided in connection with any book-entry-only
10 system applicable to the Series 2018E Bonds, payment of the interest on any Series
11 2018E Bond shall be made by check mailed on the interest payment date to such owner
12 at such owner's address as it appears on the registration books as of the Record Date;
13 provided, that if any interest payment date occurs on a day that banks in California or
14 New York are closed for business or the New York Stock Exchange is closed for
15 business, then such payment shall be made on the next succeeding day that banks in
16 both California and New York are open for business and the New York Stock Exchange
17 is open for business (each, a "Business Day"); and provided, further, that the registered
18 owner of an aggregate principal amount of at least \$1,000,000 of Series 2018E Bonds
19 may submit a written request to the City Treasurer on or before a Record Date
20 preceding an interest payment date for payment of interest on the next succeeding
21 interest payment date and thereafter by wire transfer to a commercial bank located
22 within the United States of America.

23 For so long as any Series 2018E Bonds are held in book-entry form by a
24 securities depository selected by the City pursuant to Section 11, payment shall be

1 made to the registered owner of the Series 2018E Bonds designated by such securities
2 depository by wire transfer of immediately available funds.

3 (c) Interest on the Series 2018E Bonds. The Series 2018E Bonds
4 shall bear interest at rates to be determined upon the sale of the Series 2018E Bonds,
5 calculated on the basis of a 360-day year comprised of twelve 30-day months, payable
6 on December 15, 2018 (or such other date as may be designated in the Bond Award or
7 the Bond Purchase Contract), and semiannually thereafter on June 15 and
8 December 15 of each year. Each Series 2018E Bond shall bear interest from the
9 interest payment date next preceding the date of its authentication unless it is
10 authenticated as of a day during the period from the Record Date next preceding any
11 interest payment date to the interest payment date, inclusive, in which event it shall bear
12 interest from such interest payment date, or unless it is authenticated on or before the
13 first Record Date, in which event it shall bear interest from the Dated Date; provided,
14 that if, at the time of authentication of any Series 2018E Bond, interest is in default on
15 the Series 2018E Bonds, such Series 2018E Bond shall bear interest from the interest
16 payment date to which interest has previously been paid or made available for payment
17 on the Series 2018E Bonds or from the Dated Date if the first interest payment is not
18 made.

19 (d) Optional Redemption. The Series 2018E Bonds shall be subject to
20 optional redemption prior to maturity as shall be provided in the Official Notice of Sale or
21 the Bond Purchase Contract, as applicable.

22 (e) Mandatory Redemption. The Series 2018E Bonds shall be subject
23 to mandatory redemption as shall be designated by the purchaser pursuant to the terms
24 of the Official Notice of Sale or as designated in the Bond Purchase Contract, as
25 applicable.

1 The principal of and interest on the Series 2018E Bonds subject to mandatory
2 redemption shall be paid from the Series 2018E Bond Subaccount established in
3 Section 9, pursuant to Section 9. In lieu of any such mandatory redemption for Series
4 2018E Bonds, at any time prior to the selection of Series 2018E Bonds for mandatory
5 redemption, the City may apply amounts on deposit in the Series 2018E Bond
6 Subaccount to make such payment to the purchase, at public or private sale, of Series
7 2018E Bonds subject to such mandatory redemption, and when and at such prices not
8 in excess of the principal amount thereof (including sales commission and other
9 charges but excluding accrued interest), as the City may determine.

10 (f) Selection of Series 2018E Bonds for Redemption. Whenever less
11 than all of the outstanding Series 2018E Bonds are called for redemption on any date,
12 the Director of Public Finance will select the maturities of the Series 2018E Bonds to be
13 redeemed in the sole discretion of the Director of Public Finance. Whenever less than
14 all of the outstanding Series 2018E Bonds maturing on any one date are called for
15 redemption, the manner of selection of the portion of such Series 2018E Bonds called
16 for redemption shall be as specified in the Official Statement for the Series 2018E
17 Bonds.

18 (g) Notice of Redemption. The date on which Series 2018E Bonds that
19 are called for redemption are to be presented for redemption is called the "Redemption
20 Date." The City Treasurer shall mail, or cause to be mailed, notice of any redemption of
21 Series 2018E Bonds, postage prepaid, to the respective registered owners at the
22 addresses appearing on the bond registration books not less than 20 nor more than 60
23 days prior to the Redemption Date. The notice of redemption shall (i) state the
24 Redemption Date; (ii) state the redemption price; (iii) state the maturity dates of the
25 Series 2018E Bonds to be redeemed and, if less than all of any such maturity is called

1 for redemption, the distinctive numbers of the Series 2018E Bonds of such maturity to
2 be redeemed, and in the case of any Series 2018E Bonds to be redeemed in part only,
3 the respective portions of the principal amount to be redeemed; (iv) state the CUSIP
4 number, if any, of each Series 2018E Bond to be redeemed; (v) require that such Series
5 2018E Bonds be surrendered by the owners at the office of the City Treasurer or his or
6 her agent; and (vi) give notice that interest on such Series 2018E Bond or portion of
7 Series 2018E Bond to be redeemed will cease to accrue after the Redemption Date.
8 Notice of optional redemption may be conditional upon receipt of funds or other event
9 specified in the notice of redemption as provided in Section 8(j) below.

10 The actual receipt by the owner of any Series 2018E Bond of notice of such
11 redemption shall not be a condition precedent to redemption, and failure to receive such
12 notice, or any defect in such notice so mailed, shall not affect the validity of the
13 proceedings for the redemption of such Series 2018E Bonds or the cessation of accrual
14 of interest on such Series 2018E Bonds on the Redemption Date.

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

22 The notice or notices required for redemption shall be given by the City Treasurer
23 or any agent appointed by the City. A certificate of the City Treasurer or such other
24 appointed agent of the City that notice of redemption has been given to the owner of

1 any Series 2018E Bond to be redeemed in accordance with this Resolution shall be
2 conclusive against all parties.

3 (h) Series 2018E Redemption Account. At the time the Director of
4 Public Finance determines to optionally call and redeem any of the Series 2018E
5 Bonds, the Controller or his or her agent shall establish a redemption account to be
6 described or known as the "General Obligation Bonds, Series 2018E Redemption
7 Account" (the "Series 2018E Redemption Account"), and prior to or on the Redemption
8 Date there must be set aside in the Series 2018E Redemption Account moneys
9 available for the purpose and sufficient to redeem, as provided in this Resolution, the
10 Series 2018E Bonds designated in such notice of redemption, subject to the provisions
11 of Section 8(j) below. Such moneys must be set aside in the Series 2018E Redemption
12 Account solely for the purpose of, and shall be applied on or after the Redemption Date
13 to, payment of the redemption price of the Series 2018E Bonds to be redeemed upon
14 presentation and surrender of such Series 2018E Bonds. Any interest due on or prior to
15 the Redemption Date may be paid from the Series 2018E Bond Subaccount as
16 provided in Section 9 or from the Series 2018E Redemption Account. Moneys held
17 from time to time in the Series 2018E Redemption Account shall be invested by the City
18 Treasurer pursuant to the City's policies and guidelines for investment of moneys in the
19 general fund (the "General Fund") of the City. If, after all of the Series 2018E Bonds
20 have been redeemed and canceled or paid and canceled, there are moneys remaining
21 in the Series 2018E Redemption Account, such moneys shall be transferred to the
22 General Fund of the City or to such other fund or account as required by applicable law;
23 provided, that if such moneys are part of the proceeds of refunding bonds, such moneys
24 shall be transferred pursuant to the resolution authorizing such refunding bonds.

1 (i) Effect of Redemption. When notice of optional redemption has
2 been given substantially as provided in this Resolution, and when the amount
3 necessary for the redemption of the Series 2018E Bonds called for redemption
4 (principal, premium, if any, and accrued interest to such Redemption Date) is set aside
5 for that purpose in the Series 2018E Redemption Account, the Series 2018E Bonds
6 designated for redemption shall become due and payable on the Redemption Date, and
7 upon presentation and surrender of such Series 2018E Bonds at the place specified in
8 the notice of redemption, such Series 2018E Bonds shall be redeemed and paid at the
9 redemption price out of the Series 2018E Redemption Account. No interest will accrue
10 on such Series 2018E Bonds called for redemption after the Redemption Date and the
11 registered owners of such Series 2018E Bonds shall look for payment of such Series
12 2018E Bonds only to the Series 2018E Redemption Account. All Series 2018E Bonds
13 redeemed shall be canceled immediately by the City Treasurer and shall not be
14 reissued.

15 (j) Conditional Notice of Redemption; Rescission of Redemption. Any
16 notice of optional redemption given as provided in Section 8(g) may provide that such
17 redemption is conditioned upon: (i) deposit in the Series 2018E Redemption Account of
18 sufficient moneys to redeem the Series 2018E Bonds called for optional redemption on
19 the anticipated Redemption Date, or (ii) the occurrence of any other event specified in
20 the notice of redemption. If conditional notice of redemption has been given
21 substantially as provided in this clause, and on the scheduled Redemption Date (A)
22 sufficient moneys to redeem the Series 2018E Bonds called for optional redemption on
23 the Redemption Date have not been deposited in the Series 2018E Redemption
24 Account, or (B) any other event specified in the notice of redemption as a condition to
25 the redemption has not occurred, then (1) the Series 2018E Bonds for which conditional

1 notice of redemption was given shall not be redeemed on the anticipated Redemption
2 Date and shall remain outstanding for all purposes of this Resolution, and (2) the
3 redemption not occurring shall not constitute a default under this Resolution or the
4 Authorizing Resolution.

5 The City may rescind any optional redemption and notice of it for any reason on
6 any date prior to any Redemption Date by causing written notice of the rescission to be
7 given to the owners of all Series 2018E Bonds so called for redemption. Notice of any
8 such rescission of redemption shall be given in the same manner notice of redemption
9 was originally given.

10 The actual receipt by the owner of any Series 2018E Bond of notice of such
11 rescission shall not be a condition precedent to rescission, and failure to receive such
12 notice or any defect in such notice so mailed shall not affect the validity of the
13 rescission.

14 Section 9. Series 2018E Bond Subaccount. There is established with the City
15 Treasurer a special subaccount in the General Obligation Bonds (Public Health and
16 Safety, 2016) Bond Account (the "Bond Account") created pursuant to the Authorizing
17 Resolution to be designated as the "General Obligation Bonds, Series 2018E Bond
18 Subaccount" (the "Series 2018E Bond Subaccount"), to be held separate and apart from
19 all other accounts of the City. All interest earned on amounts on deposit in the Series
20 2018E Bond Subaccount shall be retained in the Series 2018E Bond Subaccount.

21 On or prior to the date on which any payment of principal of or interest on the
22 Series 2018E Bonds is due, including any Series 2018E Bonds subject to mandatory
23 redemption on such date, the City Treasurer shall allocate to and deposit in the Series
24 2018E Bond Subaccount, from amounts held in the Bond Account, an amount which,

1 when added to any available moneys contained in the Series 2018E Bond Subaccount,
2 is sufficient to pay principal of and interest on the Series 2018E Bonds on such date.

3 On or prior to the date on which any Series 2018E Bonds are to be redeemed at
4 the option of the City pursuant to this Resolution, the City Treasurer may allocate to and
5 deposit in the Series 2018E Redemption Account, from amounts held in the Bond
6 Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when
7 added to any available moneys contained in the Series 2018E Redemption Account, is
8 sufficient to pay principal, interest and premium, if any, with respect to such Series
9 2018E Bonds on such date. The City Treasurer may make such other provision for the
10 payment of principal of and interest and any redemption premium on the Series 2018E
11 Bonds as is necessary or convenient to permit the optional redemption of the Series
12 2018E Bonds.

13 Amounts in the Series 2018E Bond Subaccount may be invested in any
14 investment of the City in which moneys in the General Fund of the City are invested.
15 The City Treasurer may (a) commingle any of the moneys held in the Series 2018E
16 Bond Subaccount with other City moneys, or (b) deposit amounts credited to the Series
17 2018E Bond Subaccount into a separate fund or funds for investment purposes only;
18 provided, that all of the moneys held in the Series 2018E Bond Subaccount shall be
19 accounted for separately notwithstanding any such commingling or separate deposit by
20 the City Treasurer.

21 Section 10. Series 2018E Project Subaccount. There is established with the
22 City Treasurer a special subaccount in the General Obligation Bonds (Public Health and
23 Safety, 2016) Project Account (the "Project Account") created pursuant to the
24 Authorizing Resolution to be designated the "General Obligation Bonds, Series 2018E
25 Project Subaccount" (the "Series 2018E Project Subaccount"), to be held separate and

1 apart from all other accounts of the City. All interest earned on amounts on deposit in
2 the Series 2018E Project Subaccount shall be retained in the Series 2018E Project
3 Subaccount. Amounts in the Series 2018E Project Subaccount shall be expended in
4 accordance with the provisions of the Authorizing Resolution for the acquisition,
5 construction or reconstruction of the Project (as defined in the Authorizing Resolution).

6 Amounts in the Series 2018E Project Subaccount may be invested in any
7 investment of the City in which moneys in the General Fund of the City are invested.

8 The City Treasurer may (a) commingle any of the moneys held in the Series 2018E
9 Project Subaccount with other City moneys, or (b) deposit amounts credited to the
10 Series 2018E Project Subaccount into a separate fund or funds for investment purposes
11 only; provided, that all of the moneys held in the Series 2018E Project Subaccount
12 (including interest earnings) shall be accounted for separately notwithstanding any such
13 comingling or separate deposit by the City Treasurer.

14 The City Treasurer is authorized to pay or cause to be paid from the proceeds of
15 the Series 2018E Bonds, on behalf of the City, the costs of issuance associated with the
16 Series 2018E Bonds. Costs of issuance of the Series 2018E Bonds shall include,
17 without limitation, bond and financial printing expenses, mailing and publication
18 expenses, rating agency fees, the fees and expenses of paying agents, registrars,
19 municipal and other consultants, disclosure counsel and co-bond counsel, and the
20 reimbursement of departmental expenses in connection with the issuance of the Series
21 2018E Bonds.

22 Section 11. Appointment of Depositories and Other Agents. The City Treasurer
23 is authorized and directed to appoint one or more depositories as he or she may deem
24 desirable and the procedures set forth in Section 6, Section 7 and Section 8 relating to
25 registration of ownership of the Series 2018E Bonds and payments and redemption

1 notices to owners of the Series 2018E Bonds may be modified to comply with the
2 policies and procedures of such depository. The City will not have any responsibility or
3 obligation to any purchaser of a beneficial ownership interest in any Series 2018E
4 Bonds or to any participants in such a depository with respect to (a) the accuracy of any
5 records maintained by such securities depository or any participant therein; (b) any
6 notice that is permitted or required to be given to the owners of Series 2018E Bonds
7 under this Resolution; (c) the selection by such securities depository or any participant
8 therein of any person to receive payment in the event of a partial redemption of Series
9 2018E Bonds; (d) the payment by such securities depository or any participant therein
10 of any amount with respect to the principal or redemption premium, if any, or interest
11 due with respect to Series 2018E Bonds; (e) any consent given or other action taken by
12 such securities depository as the owner of Series 2018E Bonds; or (f) any other matter.

13 The Depository Trust Company (“DTC”) is appointed as depository for the Series
14 2018E Bonds. The Series 2018E Bonds shall be initially issued in book-entry form.
15 Upon initial issuance, the ownership of each Series 2018E Bond shall be registered in
16 the bond register in the name of Cede & Co., as nominee of DTC. So long as each
17 Series 2018E Bond is registered in book-entry form, each Series 2018E Bond shall be
18 registered in the name of Cede & Co. or in the name of such successor nominee as
19 may be designated from time to time by DTC or any successor as depository.

20 The City Treasurer is also authorized and directed to appoint one or more agents
21 as he or she may deem necessary or desirable, to the extent permitted by applicable
22 law and under the supervision of the City Treasurer, such agents may serve as paying
23 agent, fiscal agent, rebate calculation agent, escrow agent or registrar for the Series
24 2018E Bonds or may assist the City Treasurer in performing any or all of such functions
25 and such other duties as the City Treasurer shall determine. Such agents shall serve

1 under such terms and conditions as the City Treasurer shall determine. The City
2 Treasurer may remove or replace agents appointed pursuant to this paragraph at any
3 time.

4 Section 12. Defeasance Provisions. Payment of all or any portion of the Series
5 2018E Bonds may be provided for prior to such Series 2018E Bonds' respective stated
6 maturities by irrevocably depositing with the City Treasurer (or any commercial bank or
7 trust company designated by the City Treasurer to act as escrow agent with respect
8 thereto):

9 (a) an amount of cash equal to the principal amount of all of such
10 Series 2018E Bonds or a portion thereof, and all unpaid interest thereon to maturity,
11 except that in the case of Series 2018E Bonds which are to be redeemed prior to such
12 Series 2018E Bonds' respective stated maturities and in respect of which notice of such
13 redemption shall have been given as provided in Section 8 hereof or an irrevocable
14 election to give such notice shall have been made by the City, the amount to be
15 deposited shall be the principal amount thereof, all unpaid interest thereon to the
16 Redemption Date, and any premium due on such Redemption Date; or

17 (b) Defeasance Securities (as herein defined) not subject to call,
18 except as provided below in the definition thereof, maturing and paying interest at such
19 times and in such amounts; together with interest earnings and cash, if required, as will,
20 without reinvestment, as certified by an independent certified public accountant, be fully
21 sufficient to pay the principal and all unpaid interest to maturity, or to the Redemption
22 Date, as the case may be, and any premium due on the Series 2018E Bonds to be paid
23 or redeemed, as such principal and interest come due; provided, that, in the case of the
24 Series 2018E Bonds which are to be redeemed prior to maturity, notice of such
25 redemption shall be given as provided in Section 8 hereof or an irrevocable election to

1 give such notice shall have been made by the City; then, all obligations of the City with
2 respect to such outstanding Series 2018E Bonds shall cease and terminate, except only
3 the tax covenants under Section 26 and the obligation of the City to pay or cause to be
4 paid from the funds deposited pursuant to clause (a) or (b) of this Section 12, to the
5 owners of such Series 2018E Bonds all sums due with respect thereto; and provided
6 further, that the City shall have received an opinion of nationally recognized bond
7 counsel, that provision for the payment of such Series 2018E Bonds has been made in
8 accordance with this Section 12.

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

- 12 (i) United States Obligations (as defined below); and
- 13 (ii) Pre-refunded fixed interest rate municipal obligations

14 meeting the following conditions: (A) the municipal obligations are not subject to
15 redemption prior to maturity, or the trustee or paying agent has been given irrevocable
16 instructions concerning their calling and redemption and the issuer has covenanted not
17 to redeem such obligations other than as set forth in such instructions; (B) the municipal
18 obligations are secured by cash and/or United States Obligations; (C) the principal of
19 and interest on the United States Obligations (plus any cash in the escrow fund or the
20 redemption account) are sufficient to meet the liabilities of the municipal obligations; (D)
21 the United States Obligations serving as security for the municipal obligations are held
22 by an escrow agent or trustee; (E) the United States Obligations are not available to
23 satisfy any other claims, including those against the trustee or escrow agent; and (F) the
24 municipal obligations are rated (without regard to any numerical modifier, plus or minus
25 sign or other modifier), at the time of original deposit to the escrow fund, by any two

1 Rating Agencies (as defined below) not lower than the rating then maintained by such
2 Rating Agencies on such United States Obligations.

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

14 For purposes of this Section 12, "Rating Agencies" means Moody's Investors
15 Service, Fitch Ratings, and S&P Global Ratings, or any other nationally recognized
16 bond rating agency that is the successor to any of the foregoing rating agencies or that
17 is otherwise established after the date hereof.

18 Section 13. Sale of Series 2018E Bonds by Competitive or Negotiated Sale.

19 The Board of Supervisors authorizes the sale of the Series 2018E Bonds by solicitation
20 of competitive bids or by negotiated sale to one or more underwriters to be appointed in
21 accordance with City policies, if so determined by the Director of Public Finance.

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

23 (a) Official Notice of Sale. The form of proposed Official Notice of Sale
24 inviting bids for the Series 2018E Bonds (the "Official Notice of Sale") submitted to the
25 Board of Supervisors is approved and adopted as the Official Notice of Sale inviting bids

1 for the Series 2018E Bonds, with such changes, additions and modifications as may be
2 made in accordance with Section 20. The Director of Public Finance is authorized and
3 directed to cause to be mailed or otherwise circulated to prospective bidders for the
4 Series 2018E Bonds copies of the Official Notice of Sale, subject to such corrections,
5 revisions or additions as may be acceptable to the Director of Public Finance.

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

8 (c) Bond Award. As provided in the Official Notice of Sale, the City
9 may reject any and all bids received for any reason. The Controller is authorized to
10 award the Series 2018E Bonds to the responsible bidder whose bid (i) is timely received
11 and conforms to the Official Notice of Sale, except to the extent informalities and
12 irregularities are waived by the City as permitted by the Official Notice of Sale; and (ii)
13 represents the lowest true interest cost to the City in accordance with the procedures
14 described in the Official Notice of Sale. The award, if made, shall be set forth in a
15 certificate signed by the Controller setting forth the terms of the Series 2018E Bonds
16 and the original purchasers (the "Bond Award"). The Controller shall provide a copy of
17 the Bond Award as soon as practicable to the Clerk of the Board of Supervisors and the
18 Director of Public Finance; provided, that failure to provide such copy shall not affect the
19 validity of the Bond Award.

20 Section 15. Publication of Notice of Intention to Sell Bonds. The form of
21 proposed Notice of Intention to Sell the Series 2018E Bonds (the "Notice of Intention to
22 Sell Bonds") submitted to the Board of Supervisors is approved and adopted as the
23 Notice of Intention to Sell the Series 2018E Bonds, and the Director of Public Finance is
24 authorized and directed to cause the Notice of Intention to Sell Bonds, subject to such
25 corrections, revisions or additions as may be made in accordance with Section 20, to be

1 published once in *The Bond Buyer* or another financial publication generally circulated
2 throughout the State of California meeting the requirements of Section 53692 of the
3 Government Code at least five (5) days prior to the date fixed for receipt of sealed
4 proposals for the Series 2018E Bonds, or as otherwise set forth in Section 53692 of the
5 Government Code.

6 Section 16. Authorization of Negotiated Sale; Authorization to Select
7 Underwriters; Form of Bond Purchase Contract Approval. The Controller, in
8 consultation with the Director of Public Finance, is hereby authorized to conduct the
9 sale of the Series 2018E Bonds by negotiated sale pursuant to one or more Bond
10 Purchase Contracts (each, a "Bond Purchase Contract"), each by and between the City
11 and the underwriter(s) named therein (the "Underwriters"), if the Controller determines
12 that such manner of sale is in the best financial interest of the City, such determination
13 to be conclusively evidenced by the execution and delivery of such Bond Purchase
14 Contract as hereinafter approved. The form of such Bond Purchase Contract as
15 presented to this Board of Supervisors, a copy of which is on file with the Clerk of the
16 Board of Supervisors, is hereby approved. The Controller or the Director of Public
17 Finance is hereby authorized to execute such Bond Purchase Contract with such
18 changes, additions and modifications as the Controller or the Director of Public Finance
19 may make or approve in accordance with Section 20 hereof; provided however, that the
20 Underwriters' discount under any such Bond Purchase Contract shall not exceed 1.00%
21 of the principal amount of the Series 2018E Bonds.

22 In order to facilitate the sale of the Series 2018E Bonds by negotiated sale, the
23 Controller or the Director of Public Finance is hereby authorized and directed to appoint
24 one or more financial institutions to act as underwriter for the Series 2018E Bonds in
25 accordance with City policies and procedures, including, but not limited to, the City's

1 policy to provide locally disadvantaged minority business enterprises and women
2 enterprises an equal opportunity to participate in the performance of all City contracts.

3 Section 17. Disposition of Proceeds of Sale. The proceeds of sale of the Series
4 2018E Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if
5 any, shall be deposited into the Series 2018E Bond Subaccount; (b) premium, if any,
6 shall be deposited into the Series 2018E Bond Subaccount in such amount not to
7 exceed three years of interest on the Series 2018E Bonds; and (c) remaining proceeds
8 of sale shall be deposited into the Series 2018E Project Subaccount.

9 Section 18. Preliminary Official Statement and Official Statement. The form of
10 proposed Preliminary Official Statement describing the Series 2018E Bonds (the
11 “Preliminary Official Statement”) submitted to the Board of Supervisors is approved and
12 adopted as the Preliminary Official Statement describing the Series 2018E Bonds, with
13 such additions, corrections and revisions as may be determined to be necessary or
14 desirable made in accordance with Section 20. The Controller is authorized to cause
15 the distribution of a Preliminary Official Statement deemed final for purposes of
16 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities
17 Exchange Act of 1934, as amended (the “Rule”), and to sign a certificate to that effect.
18 The Director of Public Finance is authorized and directed to cause to be printed and
19 mailed or electronically distributed to prospective bidders for the Series 2018E Bonds
20 the Preliminary Official Statement in substantially the form of the Preliminary Official
21 Statement approved and adopted by this Resolution, as completed, supplemented,
22 corrected or revised. The Controller is authorized and directed to approve, execute,
23 and deliver the final Official Statement with respect to the Series 2018E Bonds, which
24 final Official Statement shall be in the form of the Preliminary Official Statement, with
25 such additions, corrections and revisions as may be determined to be necessary or

1 desirable made in accordance with Section 20 and as are permitted under the Rule.
2 The Director of Public Finance is authorized and directed to cause to be printed and
3 mailed or electronically distributed the final Official Statement to all actual initial
4 purchasers of the Series 2018E Bonds.

5 Section 19. Continuing Disclosure Certificate. The form of Continuing
6 Disclosure Certificate (the "Continuing Disclosure Certificate"), to be signed by the City
7 to permit the original purchasers of the Series 2018E Bonds to comply with the Rule,
8 submitted to the Board of Supervisors is approved and adopted as the Continuing
9 Disclosure Certificate, with such additions, corrections and revisions as may be
10 determined to be necessary or desirable made in accordance with Section 20. The
11 Controller is authorized and directed to execute the Continuing Disclosure Certificate on
12 behalf of the City and deliver the Continuing Disclosure Certificate to the original
13 purchasers of the Series 2018E Bonds.

14 Section 20. Modification to Documents. Any City official authorized by this
15 Resolution to execute any document is further authorized, in consultation with the City
16 Attorney and co-bond counsel, to approve and make such changes, additions,
17 amendments or modifications to the document or documents such official is authorized
18 to execute as may be necessary or advisable (provided, that such changes, additions,
19 amendments or modifications shall not authorize an aggregate principal amount of
20 Series 2018E Bonds in excess of \$52,500,000 or conflict with the provisions of Section
21 4). The approval of any change, addition, amendment or modification to any of the
22 aforementioned documents shall be evidenced conclusively by the execution and
23 delivery of the document in question.

24 Section 21. Ratification. All actions previously taken by officials, employees and
25 agents of the City with respect to the sale and issuance of the Series 2018E Bonds,

1 consistent with any documents presented and this Resolution, are approved, confirmed
2 and ratified.

3 Section 22. Relationship to Authorizing Resolution. In the event of any conflict
4 between this Resolution and the Authorizing Resolution, the terms of this Resolution
5 shall control. Without limiting the foregoing and notwithstanding the provisions of the
6 Authorizing Resolution, the City is not obligated to transfer money from the General
7 Fund of the City to the Bond Account to pay the principal of or interest on the Series
8 2018E Bonds.

9 Section 23. Accountability Reports. The Series 2018E Bonds are subject to
10 accountability requirements under the Administrative Code and the Bond Ordinance.
11 The deadline for submission of the Accountability report(s) under Administrative Code
12 Sections 2.71(a) and 2.71(b) are hereby waived with respect to the Series 2018E
13 Bonds. Accountability report(s) with respect to the Series 2018E Bonds shall be
14 submitted in all other respects in the manner required by the Administrative Code and
15 the Bond Ordinance.

16 Section 24. Citizens' Oversight Committee. The Series 2018E Bonds are
17 subject to, and incorporate by reference, the applicable provisions of the San Francisco
18 Administrative Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond
19 Oversight Committee"), and, to the extent permitted by law, one-tenth of one percent
20 (0.1%) of the gross proceeds of the Series 2018E Bonds shall be deposited into a fund
21 established by the Controller's Office and appropriated by the Board of Supervisors at
22 the direction of the Citizens' General Obligation Bond Oversight Committee to cover the
23 costs of such committee.

24 Section 25. CEQA Determination. The Board of Supervisors hereby reaffirms
25 and incorporates by reference the CEQA findings and determinations set forth in the

1 Bond Ordinance as if set forth in full herein. The use of bond proceeds to finance any
2 identified project or portion of any identified project with bond proceeds will be subject,
3 as necessary, to approval of the Board of Supervisors upon completion of any planning
4 and any further required environmental review under CEQA for the individual facilities
5 and projects.

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

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

9 “*Closing Date*” means the date on which the Series 2018E Bonds are first
10 authenticated and delivered to the initial purchasers against payment therefor.

11 “*Code*” means the Internal Revenue Code of 1986, as amended by all legislation,
12 if any, effective on or before the Closing Date.

13 “*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the
14 Regulations.

15 “*Final Computation Date*” has the meaning set forth in Section 1.148-3(e)(2) of
16 the Regulations.

17 “*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the
18 Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the
19 Regulations, of the Series 2018E Bonds.

20 “*Investment*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

21 “*Nonpurpose Investment*” means any investment property, as defined in
22 Section 148(b) of the Code, in which Gross Proceeds of the Series 2018E Bonds are
23 invested and which is not acquired to carry out the governmental purposes of the Series
24 2018E Bonds.

1 “*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the
2 Regulations.

3 “*Regulations*” means any proposed, temporary, or final Income Tax Regulations
4 issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the
5 Internal Revenue Code of 1954, which are applicable to the Series 2018E Bonds. Any
6 reference to any specific Regulation shall also mean, as appropriate, any proposed,
7 temporary or final Income Tax Regulation designed to supplement, amend or replace
8 the specific Regulation referenced.

9 “*Yield*” of:

10 (i) any Investment has the meaning set forth in Section 1.148-5
11 of the Regulations; and

12 (ii) the Series 2018E Bonds has the meaning set forth in
13 Section 1.148-4 of the Regulations.

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

1 (c) No Private Use or Private Payments. Except as permitted by
2 Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all
3 times prior to the final payment on the Series 2018E Bonds:

4 (i) exclusively own, operate and possess all property, the
5 acquisition, construction or improvement of which is to be financed or refinanced directly
6 or indirectly with Gross Proceeds of the Series 2018E Bonds, and not use or permit the
7 use of such Gross Proceeds (including all contractual arrangements with terms different
8 than those applicable to the general public) or any property acquired, constructed or
9 improved with such Gross Proceeds in any activity carried on by any person or entity
10 (including the United States or any agency, department and instrumentality thereof)
11 other than a state or local government, unless such use is solely as a member of the
12 general public; and

13 (ii) not directly or indirectly impose or accept any charge or
14 other payment by any person or entity who is treated as using Gross Proceeds of the
15 Series 2018E Bonds or any property the acquisition, construction or improvement of
16 which is to be financed or refinanced directly or indirectly with such Gross Proceeds,
17 other than taxes of general application within the City or interest earned on investments
18 acquired with such Gross Proceeds pending application for their intended purposes.

19 (d) No Private Loan. Except to the extent permitted by Section 141 of
20 the Code and the Regulations and rulings thereunder, the City shall not use Gross
21 Proceeds of the Series 2018E Bonds to make or finance loans to any person or entity
22 other than a state or local government. For purposes of the foregoing covenant, such
23 Gross Proceeds are considered to be "loaned" to a person or entity if: (i) property
24 acquired, constructed or improved with such Gross Proceeds is sold or leased to such
25 person or entity in a transaction which creates a debt for federal income tax purposes;

1 (ii) capacity in or service from such property is committed to such person or entity under
2 a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits, or
3 burdens and benefits of ownership, of such Gross Proceeds or any property acquired,
4 constructed or improved with such Gross Proceeds are otherwise transferred in a
5 transaction which is the economic equivalent of a loan.

6 (e) Not to Invest at Higher Yield. Except to the extent permitted by
7 Section 148 of the Code and the Regulations and rulings thereunder, the City shall not
8 at any time prior to the final stated maturity of the Series 2018E Bonds directly or
9 indirectly invest Gross Proceeds in any Investment, if as a result of such investment the
10 Yield of any Investment acquired with Gross Proceeds, whether then held or previously
11 disposed of, exceeds the Yield of the Series 2018E Bonds.

12 (f) Not Federally Guaranteed. Except to the extent permitted by
13 Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall
14 not take or omit to take any action which would cause the Series 2018E Bonds to be
15 federally guaranteed within the meaning of Section 149(b) of the Code and the
16 Regulations and rulings thereunder.

17 (g) Information Report. The City shall timely file the information
18 required by Section 149(e) of the Code with the Secretary of the Treasury on Form
19 8038-G or such other form and in such place as the Secretary may prescribe.

20 (h) Rebate of Arbitrage Profits. Except to the extent otherwise
21 provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

22 (i) The City shall account for all Gross Proceeds (including all
23 receipts, expenditures and investments thereof) on its books of account separately and
24 apart from all other funds (and receipts, expenditures and investments thereof) and
25 shall retain all records of accounting for at least six years after the day on which the last

1 outstanding Bond is discharged. However, to the extent permitted by law, the City may
2 commingle Gross Proceeds of the Series 2018E Bonds with other money of the City;
3 provided that the City separately accounts for each receipt and expenditure of Gross
4 Proceeds and the obligations acquired therewith.

5 (ii) Not less frequently than each Computation Date, the City
6 shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of
7 the Code and the Regulations and rulings thereunder. The City shall maintain such
8 calculations with its official transcript of proceedings relating to the issuance of the
9 Series 2018E Bonds until six years after the Final Computation Date.

10 (iii) As additional consideration for the purchase of the Series
11 2018E Bonds by the initial purchasers and the loan of the money represented thereby
12 and in order to induce such purchase by measures designed to ensure the excludability
13 of the interest thereon from gross income for federal income tax purposes, the City shall
14 pay to the United States the amount that when added to the future value of previous
15 rebate payments made for the Series 2018E Bonds equals (i) in the case of a Final
16 Computation Date, 100% of the Rebate Amount on such date; and (ii) in the case of any
17 other Computation Date, 90% of the Rebate Amount on such date. In all cases, the
18 rebate payments shall be made at the times, in the installments, to the place and in the
19 manner as is or may be required by Section 148(f) of the Code and the Regulations and
20 rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and
21 information as is or may be required by Section 148(f) of the Code and the Regulations
22 and rulings thereunder.

23 (iv) The City shall exercise reasonable diligence to assure that
24 no errors are made in the calculations and payments required by paragraphs (ii) and
25 (iii), and if an error is made, to discover and promptly correct such error within a

1 reasonable amount of time thereafter (and in all events within 180 days after discovery
2 of the error), including payment to the United States of any additional Rebate Amount
3 owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the
4 Regulations.

5 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by
6 Section 148 of the Code and the Regulations and rulings thereunder, the City shall not,
7 at any time prior to the final payment on the Series 2018E Bonds, enter into any
8 transaction that reduces the amount required to be paid to the United States pursuant to
9 Section 26(h) above because such transaction results in a smaller profit or a larger loss
10 than would have resulted if the transaction had been at arm's length and had the Yield
11 of the Series 2018E Bonds not been relevant to either party.

12 Section 27. General Authority. The Clerk of the Board of Supervisors, the
13 Mayor, the City Treasurer, the Director of Public Finance, the City Attorney and the
14 Controller are each authorized and directed in the name and on behalf of the City to
15 take any and all steps and to issue, deliver or enter into any and all certificates,
16 requisitions, agreements, notices, consents, and other documents as may be necessary
17 to give effect to the provisions of this Resolution, including but not limited to tax
18 compliance certificates and letters of representations to any depository or depositories,
19 which they or any of them might deem necessary or appropriate in order to
20 consummate the lawful issuance, sale and delivery of the Series 2018E Bonds. Any
21 such actions are solely intended to further the purposes of this Resolution, and are
22 subject in all respects to the terms of this Resolution. No such actions shall increase
23 the risk to the City or require the City to spend any resources not otherwise granted
24 herein. Final versions of any such documents shall be provided to the Clerk of the

1 Board of Supervisors for inclusion in the official file within 30 days (or as soon thereafter
2 as final documents are available) of execution by all parties.

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By _____
KENNETH D. ROUX
Deputy City Attorney

EXHIBIT A

FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is 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.

<u>Number</u>		<u>Principal Amount</u>
R-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA	\$_____
	CITY AND COUNTY OF SAN FRANCISCO TAX-EXEMPT GENERAL OBLIGATION BONDS (PUBLIC HEALTH AND SAFETY, 2016) SERIES 2018E	

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
_____	_____	_____	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____

The City and County of San Francisco, State of California (the “City”), acknowledges itself indebted to and promises to pay to the Registered Owner specified above or registered assigns, on the Maturity Date specified above, the Principal Amount of this Bond specified above in lawful money of the United States of America, and to pay interest on the Principal Amount in like lawful money from the Interest Payment Date (as defined below) next

1 preceding the date of authentication of this Bond (unless this Bond is authenticated as of
2 the day during the period from the last day of the month immediately preceding any
3 Interest Payment Date (the "Record Date") to such Interest Payment Date, inclusive, in
4 which event it shall bear from such Interest Payment Date, or unless this Bond is
5 authenticated on or before _____, ____, in which event it shall bear interest from its
6 Dated Date (specified above) until payment of such Principal Amount, at the Interest Rate
7 per year specified above calculated on the basis of a 360-day year comprised of twelve
8 30-day months, payable on December 15, 2018 and semiannually thereafter on June 15
9 and December 15 in each year (each, an "Interest Payment Date"); *provided*, that if any
10 Interest Payment Date occurs on a day that banks in California or New York are closed
11 for business or the New York Stock Exchange is closed for business, then such payment
12 shall be made on the next succeeding day that banks in both California and New York
13 are open for business and the New York Stock Exchange is open for business (a
14 "Business Day"). The Principal Amount of this Bond is payable to the Registered Owner
15 of this Bond upon the surrender of this Bond at the office of the Treasurer of the City (the
16 "City Treasurer") in San Francisco, California. The interest on this Bond is payable to the
17 person whose name appears on the Bond registration books of the City Treasurer as the
18 Registered Owner of this Bond as of the close of business on the Record Date
19 immediately preceding an Interest Payment Date, whether or not such day is a Business
20 Day, such interest to be paid by check mailed on the Interest Payment Date to such
21 Registered Owner at the owner's address as it appears on such registration books;
22 *provided*, that the Registered Owner of Bonds in an aggregate principal amount of at least
23 \$1,000,000 may submit a written request to the City Treasurer on or before the Record
24 Date preceding any Interest Payment Date for payment of interest by wire transfer to a
25 commercial bank located in the United States of America.

26 This Bond is one of a duly authorized issue of Bonds (the "Bonds") of like tenor
27 (except to such variations, if any, as may be required to designate varying numbers,
28 denominations, interest rates and maturities), in the aggregate principal amount of
29 \$_____, which is part of a bond authorization in the aggregate original principal
30 amount of \$350,000,000 authorized by the affirmative votes of more than two-thirds of
31 the voters voting at a special election duly and legally called, held and conducted in the

1 City on June 7, 2016 and is issued and sold by the City pursuant to and in strict conformity
2 with the provisions of the Constitution and laws of the State of California, the Charter of
3 the City and Resolution No. 514-16, adopted by the Board of Supervisors of the City (the
4 "Board of Supervisors") on December 6, 2016, and duly approved by the Mayor of the
5 City on December 16, 2016, and Resolution No. _____, adopted by the Board of
6 Supervisors on _____, and duly approved by the Mayor of the City on _____
7 (together with the related Certificate Awarding the Bonds and Fixing Definitive Interest
8 Rates for the Bonds, dated _____, 2018, the "Resolutions").

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

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

21 No transfer or exchange of the Bonds shall be required to be made by the City
22 Treasurer during the period from the Record Date next preceding each Interest Payment
23 Date to such Interest Payment Date or after a notice of redemption shall have been mailed
24 with respect to such Bonds.

25 Bonds maturing on and before June 15, 20__, will not be subject to optional
26 redemption prior to their respective maturity dates. The Bonds maturing on or after June
27 15, 20__ will be subject to optional redemption prior to their respective stated maturity
28 dates, at the option of the City, from any source of available funds, as a whole or in part
29 on any date (with the maturities to be redeemed to be determined by the City and by lot
30 within a maturity), on or after June 15, 20__, at the redemption price equal to the principal
31 amount of the Bonds redeemed, together with accrued interest to the date fixed for

1 redemption, without premium. If less than all of the outstanding Bonds are to be
2 redeemed, they may be redeemed in any order of maturity as determined by the Director
3 of Finance. If less than all of the outstanding Bonds of a maturity are to be redeemed,
4 the Bonds or portions of Bonds of such maturity to be redeemed shall be selected Director
5 of Public Finance, in authorized denominations of \$5,000 or integral multiples of that
6 amount, from among Bonds of that maturity not previously called for redemption, by lot,
7 in any manner which the Director of Public Finance deems fair.

8 Bonds maturing on June 15, 20__, are subject to mandatory sinking fund
9 redemption on June 15 of each of the years 20__ through 20__, inclusive, and at maturity
10 in the respective amount provided in the [Official Notice of Sale/the Bond Purchase
11 Contract] for the Bonds.

12 Bonds maturing on June 15, 20__, are subject to mandatory sinking fund
13 redemption on June 15 of each of the years 20__ through 20__, inclusive, and at maturity
14 in the respective amount provided in the [Official Notice of Sale/the Bond Purchase
15 Contract] for the Bonds.

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

23 Official notice of redemption having been given as aforesaid, the Bonds or portions
24 of Bonds so to be redeemed shall, on the date fixed for redemption, become due and
25 payable at the redemption price therein specified, and from and after such date (unless
26 such redemption and notice of it shall have been rescinded or unless the City shall default
27 in the payment of the redemption price), such Bonds or portions of Bonds shall cease to
28 bear interest. Neither the failure to mail such redemption notice, nor any defect in any
29 notice so mailed, to any particular Registered Owner, shall affect the sufficiency of such
30 notice with respect to other Bonds.

1 Notice of redemption, or notice of rescission of an optional redemption, having
2 been properly given, failure of a Registered Owner to receive such notice shall not be
3 deemed to invalidate, limit or delay the effect of the notice or redemption action described
4 in the notice.

5 Any notice of optional redemption may provide that such redemption is conditional
6 upon occurrence of a specified event, as provided in the Resolutions. In the event that
7 such conditional notice of optional redemption has been given, and on the date fixed for
8 redemption such condition has not been satisfied, the Bonds for which notice of
9 conditional optional redemption was given shall not be redeemed and shall remain
10 Outstanding for all purposes of the Resolutions and the redemption not occurring shall
11 not constitute an event of default under the Resolutions.

12 The City may rescind any optional redemption and notice of it for any reason on
13 any date prior to any Redemption Date by causing written notice of the rescission to be
14 given to the owners of all Bonds so called for redemption. Notice of any such rescission
15 of redemption shall be given in the same manner notice of redemption was originally
16 given.

17 The actual receipt by the owner of any Bond of notice of such rescission shall not
18 be a condition precedent to rescission, and failure to receive such notice or any defect in
19 such notice so mailed shall not affect the validity of the rescission.

20 The City and the City Treasurer may treat the Registered Owner of this Bond as
21 the absolute owner of this Bond for all purposes, and the City and the City Treasurer shall
22 not be affected by any notice to the contrary.

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

25 The Board of Supervisors certifies, recites and declares that the total amount of
26 indebtedness of the City, including the amount of this Bond, is within the limit provided by
27 law, that all acts, conditions and things required by law to be done or performed precedent
28 to and in the issuance of this Bond have been done and performed in strict conformity
29 with the laws authorizing the issuance of this Bond, that this Bond is in the form prescribed
30 by order of the Board of Supervisors duly made and entered on its minutes, and the
31 money for the payment of principal of this Bond, and the payment of interest thereon,

1 shall be raised by taxation upon the taxable property of the City as provided in the
2 Resolutions.

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

6

1 IN WITNESS WHEREOF the Board of Supervisors has caused this Bond to be
2 executed by the Mayor of the City and to be countersigned by the Clerk of the Board of
3 Supervisors, all as of _____.

4 _____

5 Mayor of the City and

6 County of San Francisco

7 Countersigned:

8 _____

9 Clerk of the Board of Supervisors

10

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

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

Date of Authentication: _____

Treasurer of the
City and County of San Francisco

1 **ASSIGNMENT**

2 FOR VALUE RECEIVED the undersigned do(es) hereby sell, assign and transfer
3 unto

4 _____
5 _____
6 **(Please print or typewrite Name, Address, and Tax Identification or Social**
7 **Security Number of Assignee/Transferee)**

8 the within-mentioned registered bond and all rights thereunder and hereby irrevocably
9 constitute(s) and appoint(s) _____ attorney
10 to transfer the same on the books of the paying agent with full power of substitution in
11 the premises.

12 Dated: _____

13 NOTICE: The signature to this
14 assignment must correspond with the
15 name as it appears upon the face of the
16 within bond in every particular, without
17 altercation or enlargement or any
18 change whatsoever.

19 Signature Guaranteed:
20 _____

21 Signature(s) must be guaranteed by a national
22 bank or trust company or by a brokerage firm
23 having a membership in one of the major stock

1 exchanges and who is a member of a

2 Medallion Signature Program.

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