

1 [Sale of Tax-Exempt General Obligation Bonds (Earthquake Safety And Emergency  
2 Response Bonds, 2014), Series 2018C - Not to Exceed \$189,735,000]

3

4 **Resolution authorizing the issuance and sale of not to exceed \$189,735,000**  
5 **aggregate principal amount of City and County of San Francisco Tax-Exempt**  
6 **General Obligation Bonds (Earthquake Safety and Emergency Response Bonds,**  
7 **2014), Series 2018C; prescribing the form and terms of such bonds; providing for**  
8 **the appointment of depositories and other agents for such bonds; providing for**  
9 **the establishment of accounts and/or subaccounts related to such bonds;**  
10 **authorizing the sale of such bonds by competitive or negotiated sale; approving**  
11 **the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing**  
12 **the publication of the Notice of Intention to Sell Bonds; approving the form of the**  
13 **Bond Purchase Contract; approving the form of the Preliminary Official Statement**  
14 **and the execution of the Official Statement relating to the sale of such bonds;**  
15 **approving the form of the Continuing Disclosure Certificate; authorizing and**  
16 **approving modifications to such documents; ratifying certain actions previously**  
17 **taken, as defined herein; and granting general authority to City Officials to take**  
18 **necessary actions in connection with the authorization, issuance, sale, and**  
19 **delivery of such bonds, as defined herein.**

20 WHEREAS, by Resolution No. 34-14, adopted by the Board of Supervisors (the  
21 "Board of Supervisors") of the City and County of San Francisco (the "City") on February  
22 4, 2014, and approved by the Mayor of the City (the "Mayor") on February 14, 2014, it  
23 was determined that public interest and necessity demand the construction, acquisition,  
24 improvement, and retrofitting of earthquake safety and emergency responsiveness  
25 facilities and infrastructure, as therein described (the "Project"); and

1           WHEREAS, by Ordinance No. 16-14, passed by the Board of Supervisors on  
2 February 11, 2014, and approved by the Mayor on February 14, 2014 (the “Bond  
3 Ordinance”), the Board of Supervisors duly called a special election to be held on June  
4 3, 2014 (the “Bond Election”), for the purpose of submitting to the qualified voters of the  
5 City such proposition to incur bonded indebtedness in the amount of \$400,000,000 to  
6 finance the Project, and such proposition was approved by two-thirds of the qualified  
7 voters of the City voting on such proposition, and declaration of such Bond Election  
8 results was made by the Board of Supervisors pursuant to Resolution No. 220-14,  
9 adopted by the Board of Supervisors of the City on June 24, 2014, and approved by the  
10 Mayor on July 2, 2014; and

11           WHEREAS, by Resolution No. 313-14, adopted by the Board of Supervisors on  
12 July 29, 2014, and approved by the Mayor on August 7, 2014 (the “Authorizing  
13 Resolution”), the City was authorized to issue its General Obligation Bonds (Earthquake  
14 Safety and Emergency Response Bonds, 2014) (the “Bonds”) in the amount of  
15 \$400,000,000; and

16           WHEREAS, by Resolution No. 308-14, adopted by the Board of Supervisors on  
17 July 29, 2014, and approved by the Mayor on August 7, 2014, the City was authorized  
18 to issue the first series of the Bonds, its General Obligation Bonds (Earthquake Safety  
19 and Emergency Response Bonds, 2014), Series 2014D in an aggregate principal  
20 amount not to exceed \$106,095,000, which Series 2014D Bonds were subsequently  
21 issued in the aggregate principal amount of \$100,670,000; and

22           WHEREAS, by Resolution No. 95-16, adopted by the Board of Supervisors on  
23 March 22, 2016, and approved by the Mayor on March 23, 2016, the City was  
24 authorized to issue the second series of the Bonds, its General Obligation Bonds  
25 (Earthquake Safety and Emergency Response Bonds, 2014), Series 2016D in an

1 aggregate principal amount not to exceed \$111,060,000, which Series 2016D Bonds  
2 were subsequently issued in the aggregate principal amount of \$109,595,000; and

3 WHEREAS, the City has issued and sold, to date, a total of \$210,265,000 of the  
4 Bonds; and there remains \$189,735,000 of authorized and unissued Bonds; and

5 WHEREAS, it is necessary and desirable to issue the third series of the Bonds,  
6 in an aggregate principal amount of the Bonds not to exceed \$189,735,000 (the "Series  
7 2018C Bonds"), to finance a portion of the costs of the Project; and

8 WHEREAS, the Series 2018C Bonds are being issued pursuant to the  
9 Authorizing Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the  
10 California Government Code (the "Government Code"), the Charter of the City (the  
11 "Charter"), the Bond Ordinance and the Bond Election; and

12 WHEREAS, pursuant to the applicable provisions of the San Francisco  
13 Administrative Code (the "Administrative Code") Sections 5.30-5.36, the Citizens'  
14 General Obligation Bond Oversight Committee shall conduct an annual review of bond  
15 spending and shall provide an annual report on the management of the program to the  
16 Mayor and the Board of Supervisors, and, to the extent permitted by law, one tenth of  
17 one percent (0.1%) of the gross proceeds of the Series 2018C Bonds shall be deposited  
18 in a fund established by the Office of the City Controller (the "Controller") and  
19 appropriated by the Board of Supervisors at the direction of the Citizens' General  
20 Obligation Bond Oversight Committee to cover the costs of such committee and its  
21 review process; and

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

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

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

7           Section 3. Documents. The documents presented to the Board of Supervisors  
8 and on file with the Clerk of the Board of Supervisors or designee thereof (the “Clerk of  
9 the Board of Supervisors”) are contained in File No. \_\_\_\_\_.

10           Section 4. Issuance and Sale of Series 2018C Bonds; Determination of Certain  
11 Terms; Designation. The Board of Supervisors authorizes the issuance and sale of not  
12 to exceed \$189,735,000 in aggregate principal amount of Bonds to be designated as  
13 “City and County of San Francisco Tax-Exempt General Obligation Bonds (Earthquake  
14 Safety and Emergency Response Bonds, 2014), Series 2018C,” for the purposes set  
15 forth in the Bond Ordinance and Proposition A approved by the voters at the Bond  
16 Election.

17           The Director of Public Finance of the City or a designee thereof (the “Director of  
18 Public Finance”) is authorized to determine, for the Series 2018C Bonds, the sale date,  
19 the interest rates, the definitive principal amount, the maturity dates and the redemption  
20 dates, if any, and the terms of any optional or mandatory redemption, subject to the  
21 other specific provisions of this Resolution, including the following terms and conditions:  
22 (a) the Series 2018C Bonds shall not have a true interest cost (as such term is defined  
23 in the Official Notice of Sale (as defined in Section 14) for the Series 2018C Bonds) in  
24 excess of 12%; and (b) the Series 2018C Bonds shall not have a final maturity date  
25 more than 30 years from their date of issuance. The Director of Public Finance is

1 further authorized to give the Series 2018C Bonds such additional or other series  
2 designation, or to modify such series designation, as may be necessary or appropriate  
3 to distinguish the Series 2018C Bonds from every other series of Bonds and from other  
4 bonds issued by the City.

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

18           The Series 2018C Bonds and the certificate of authentication and registration, to  
19 be manually executed by the Treasurer of the City or designee thereof (the "City  
20 Treasurer"), and the form of assignment to appear on the Series 2018C Bonds shall be  
21 substantially in the form attached as Exhibit A (a copy of which is on file with the Clerk  
22 of the Board of Supervisors and which is declared to be a part of this Resolution as if  
23 fully set forth in this Resolution), with necessary or appropriate variations, omissions  
24 and insertions as permitted or required by this Resolution.

1           Only Series 2018C Bonds bearing a certificate of authentication and registration  
2 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to  
3 the benefits of the Authorizing Resolution and this Resolution, and such certificate of the  
4 City Treasurer, executed as provided in this Resolution, shall be conclusive evidence  
5 that the Series 2018C Bonds so authenticated have been duly authenticated and  
6 delivered under, and are entitled to the benefits of, the Authorizing Resolution and this  
7 Resolution.

8           The Controller shall assign a distinctive letter, or number, or letter and number to  
9 each Series 2018C Bond authenticated and registered by the City Treasurer and shall  
10 maintain a record thereof which shall be available for inspection.

11           Section 6. Registration Books. The City Treasurer shall keep or cause to be  
12 kept, at the office of the City Treasurer or at the designated office of any registrar  
13 appointed by the City Treasurer, separate and sufficient books for the registration and  
14 transfer of Series 2018C Bonds, which books shall at all times be open to inspection,  
15 and upon presentation for such purpose, the City Treasurer shall, under such  
16 reasonable regulations as he or she may prescribe, register or transfer or cause to be  
17 registered or transferred, on such books, Series 2018C Bonds as provided in this  
18 Resolution. The City and the City Treasurer may treat the registered owner of each  
19 Series 2018C Bond as its absolute owner for all purposes, and the City and the City  
20 Treasurer shall not be affected by any notice to the contrary.

21           Section 7. Transfer or Exchange of Series 2018C Bonds. Any Series 2018C  
22 Bond may, in accordance with its terms, be transferred upon the books required to be  
23 kept pursuant to the provisions of Section 6, by the person in whose name it is  
24 registered, in person or by the duly authorized attorney of such person in writing, upon

1 surrender of such Series 2018C Bond for cancellation, accompanied by delivery of a  
2 duly executed written instrument of transfer in a form approved by the City Treasurer.

3 Any Series 2018C Bond may be exchanged at the office of the City Treasurer for  
4 a like aggregate principal amount of other authorized denominations of the same  
5 interest rate and maturity.

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

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

16 Section 8. Terms of the Series 2018C Bonds; General Redemption Provisions.

17 (a) Date of the Series 2018C Bonds. The Series 2018C Bonds shall  
18 be dated the date of their delivery or such other date (the "Dated Date") as is  
19 specified in the Bond Award or the Bond Purchase Contract.

20 (b) Payment of the Series 2018C Bonds. The principal of the  
21 Series 2018C Bonds shall be payable in lawful money of the United States of  
22 America to their owners, upon surrender at maturity or earlier redemption at the  
23 office of the City Treasurer. The interest on the Series 2018C Bonds shall be  
24 payable in like lawful money to the person whose name appears on the bond  
25 registration books of the City Treasurer as the owner as of the close of business

1 on the last day of the month immediately preceding an interest payment date (the  
2 "Record Date"), whether or not such day is a Business Day (as defined below).

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

18 For so long as any Series 2018C Bonds are held in book-entry form by a  
19 securities depository selected by the City pursuant to Section 11, payment shall  
20 be made to the registered owner of the Series 2018C Bonds designated by such  
21 securities depository by wire transfer of immediately available funds.

22 (c) Interest on the Series 2018C Bonds. The Series 2018C Bonds  
23 shall bear interest at rates to be determined upon the sale of the Series 2018C  
24 Bonds, calculated on the basis of a 360-day year comprised of twelve 30-day  
25 months, payable on December 15, 2018 (or such other date as may be



1 designated in the Bond Award or Bond Purchase Contract), and semiannually  
2 thereafter on June 15 and December 15 of each year. Each Series 2018C Bond  
3 shall bear interest from the interest payment date next preceding the date of its  
4 authentication unless it is authenticated as of a day during the period from the  
5 Record Date next preceding any interest payment date to the interest payment  
6 date, inclusive, in which event it shall bear interest from such interest payment  
7 date, or unless it is authenticated on or before the first Record Date, in which  
8 event it shall bear interest from the Dated Date; provided, that if, at the time of  
9 authentication of any Series 2018C Bond, interest is in default on the Series  
10 2018C Bonds, such Series 2018C Bond shall bear interest from the interest  
11 payment date to which interest has previously been paid or made available for  
12 payment on the Series 2018C Bonds or from the Dated Date if the first interest  
13 payment is not made.

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

17 (e) Mandatory Redemption. The Series 2018C Bonds shall be subject  
18 to mandatory redemption as shall be designated by the purchaser pursuant to  
19 the terms of the Official Notice of Sale or as designated in the Bond Purchase  
20 Contract, as applicable.

21 The principal of and interest on the Series 2018C Bonds subject to  
22 mandatory redemption shall be paid from the Series 2018C Bond Subaccount  
23 established in Section 9, pursuant to Section 9. In lieu of any such mandatory  
24 redemption for Series 2018C Bonds, at any time prior to the selection of Series  
25 2018C Bonds for mandatory redemption, the City may apply amounts on deposit

1 in the Series 2018C Bond Subaccount to make such payment to the purchase, at  
2 public or private sale, of Series 2018C Bonds subject to such mandatory  
3 redemption, and when and at such prices not in excess of the principal amount  
4 thereof (including sales commission and other charges but excluding accrued  
5 interest), as the City may determine.

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

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

1 each Series 2018C Bond to be redeemed; (v) require that such Series 2018C  
2 Bonds be surrendered by the owners at the office of the City Treasurer or his or  
3 her agent; and (vi) give notice that interest on such Series 2018C Bonds or  
4 portions of Series 2018C Bonds to be redeemed will cease to accrue after the  
5 Redemption Date. Notice of optional redemption may be conditional upon  
6 receipt of funds or other event specified in the notice of redemption as provided  
7 in Section 8(j) below.

8 The actual receipt by the owner of any Series 2018C Bond of notice of  
9 such redemption shall not be a condition precedent to redemption, and failure to  
10 receive such notice, or any defect in such notice so mailed, shall not affect the  
11 validity of the proceedings for the redemption of such Series 2018C Bonds or the  
12 cessation of accrual of interest on such Series 2018C Bonds on the Redemption  
13 Date. Notice of redemption also shall be given, or caused to be given by the City  
14 Treasurer, by (i) registered or certified mail, postage prepaid, (ii) confirmed  
15 facsimile transmission; (iii) overnight delivery service; or (iv) to the extent  
16 acceptable to the intended recipient, email or similar electronic means, to (A) all  
17 organizations registered with the Securities and Exchange Commission as  
18 securities depositories, and (B) such other services or organizations as may be  
19 required in accordance with the Continuing Disclosure Certificate described in  
20 Section 19.

21 The notice or notices required for redemption shall be given by the City  
22 Treasurer or any agent appointed by the City. A certificate of the City Treasurer  
23 or such other appointed agent of the City that notice of redemption has been  
24 given to the owner of any Series 2018C Bond to be redeemed in accordance with  
25 this Resolution shall be conclusive against all parties.

1           (h)    Series 2018C Redemption Account. At the time the Director of  
2           Public Finance determines to optionally call and redeem any of the Series 2018C  
3           Bonds, the Controller or his or her agent shall establish a redemption account to  
4           be described or known as the “General Obligation Bonds, Series 2018C  
5           Redemption Account” (the “Series 2018C Redemption Account”), and prior to or  
6           on the Redemption Date there must be set aside in the Series 2018C  
7           Redemption Account moneys available for the purpose and sufficient to redeem,  
8           as provided in this Resolution, the Series 2018C Bonds designated in such  
9           notice of redemption, subject to the provisions of Section 8(j) below. Such  
10          moneys must be set aside in the Series 2018C Redemption Account solely for  
11          the purpose of, and shall be applied on or after the Redemption Date to, payment  
12          of the redemption price of the Series 2018C Bonds to be redeemed upon  
13          presentation and surrender of such Series 2018C Bonds. Any interest due on or  
14          prior to the Redemption Date may be paid from the Series 2018C Bond  
15          Subaccount as provided in Section 9 or from the Series 2018C Redemption  
16          Account. Moneys held from time to time in the Series 2018C Redemption  
17          Account shall be invested by the City Treasurer pursuant to the City’s policies  
18          and guidelines for investment of moneys in the general fund (the “General Fund”)  
19          of the City. If, after all of the Series 2018C Bonds have been redeemed and  
20          canceled or paid and canceled, there are moneys remaining in the Series 2018C  
21          Redemption Account, such moneys shall be transferred to the General Fund of  
22          the City or to such other fund or account as required by applicable law; provided,  
23          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 2018C Bonds called for redemption  
4           (principal, premium, if any, and accrued interest to such Redemption Date) is set  
5           aside for that purpose in the Series 2018C Redemption Account, the Series  
6           2018C Bonds designated for redemption shall become due and payable on the  
7           Redemption Date, and upon presentation and surrender of such Series 2018C  
8           Bonds at the place specified in the notice of redemption, such Series 2018C  
9           Bonds shall be redeemed and paid at the redemption price out of the Series  
10          2018C Redemption Account. No interest will accrue on such Series 2018C  
11          Bonds called for redemption after the Redemption Date and the registered  
12          owners of such Series 2018C Bonds shall look for payment of such Series  
13          2018C Bonds only to the Series 2018C Redemption Account. All Series 2018C  
14          Bonds redeemed shall be canceled immediately by the City Treasurer and shall  
15          not be reissued.

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

1 specified in the notice of redemption as a condition to the redemption has not  
2 occurred, then (1) the Series 2018C Bonds for which conditional notice of  
3 redemption was given shall not be redeemed on the anticipated Redemption  
4 Date and shall remain outstanding for all purposes of this Resolution, and (2) the  
5 redemption not occurring shall not constitute a default under this Resolution or  
6 the Authorizing Resolution.

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

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

16 Section 9. Series 2018C Bond Subaccount. There is established with the City  
17 Treasurer a special subaccount in the General Obligation Bonds (Earthquake Safety  
18 and Emergency Response Bonds, 2014) Bond Account (the "Bond Account") created  
19 pursuant to the Authorizing Resolution to be designated as the "General Obligation  
20 Bonds, Series 2018C Bond Subaccount" (the "Series 2018C Bond Subaccount"), to be  
21 held separate and apart from all other accounts of the City. All interest earned on  
22 amounts on deposit in the Series 2018C Bond Subaccount shall be retained in the  
23 Series 2018C Bond Subaccount.

24 On or prior to the date on which any payment of principal of or interest on the  
25 Series 2018C Bonds is due, including any Series 2018C Bonds subject to mandatory

1 redemption on such date, the City Treasurer shall allocate to and deposit in the Series  
2 2018C Bond Subaccount, from amounts held in the Bond Account, an amount which,  
3 when added to any available moneys contained in the Series 2018C Bond Subaccount,  
4 is sufficient to pay principal of and interest on the Series 2018C Bonds on such date.

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

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

23 Section 10. Series 2018C Project Subaccount. There is established with the  
24 City Treasurer a special subaccount in the General Obligation Bonds (Earthquake  
25 Safety and Emergency Response Bonds, 2014) Project Account (the "Project Account")

1 created pursuant to the Authorizing Resolution to be designated the “General Obligation  
2 Bonds, Series 2018C Project Subaccount” (the “Series 2018C Project Subaccount”), to  
3 be held separate and apart from all other accounts of the City. All interest earned on  
4 amounts on deposit in the Series 2018C Project Subaccount shall be retained in the  
5 Series 2018C Project Subaccount. Amounts in the Series 2018C Project Subaccount  
6 shall be expended in accordance with the provisions of the Authorizing Resolution for  
7 the acquisition, construction or reconstruction of the Project (as defined in the  
8 Authorizing Resolution).

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

17           The City Treasurer is authorized to pay or cause to be paid from the proceeds of  
18 the Series 2018C Bonds, on behalf of the City, the costs of issuance associated with the  
19 Series 2018C Bonds. Costs of issuance of the Series 2018C Bonds shall include,  
20 without limitation, bond and financial printing expenses, mailing and publication  
21 expenses, rating agency fees, the fees and expenses of paying agents, registrars,  
22 municipal and other consultants, disclosure counsel and co-bond counsel, and the  
23 reimbursement of departmental expenses in connection with the issuance of the Series  
24 2018C Bonds.



1           Section 11. Appointment of Depositories and Other Agents. The City Treasurer  
2 is authorized and directed to appoint one or more depositories as he or she may deem  
3 desirable and the procedures set forth in Section 6, Section 7 and Section 8 relating to  
4 registration of ownership of the Series 2018C Bonds and payments and redemption  
5 notices to owners of the Series 2018C Bonds may be modified to comply with the  
6 policies and procedures of such depository. The City will not have any responsibility or  
7 obligation to any purchaser of a beneficial ownership interest in any Series 2018C  
8 Bonds or to any participants in such a depository with respect to (a) the accuracy of any  
9 records maintained by such securities depository or any participant therein; (b) any  
10 notice that is permitted or required to be given to the owners of Series 2018C Bonds  
11 under this Resolution; (c) the selection by such securities depository or any participant  
12 therein of any person to receive payment in the event of a partial redemption of Series  
13 2018C Bonds; (d) the payment by such securities depository or any participant therein  
14 of any amount with respect to the principal or redemption premium, if any, or interest  
15 due with respect to Series 2018C Bonds; (e) any consent given or other action taken by  
16 such securities depository as the owner of Series 2018C Bonds; or (f) any other matter.

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

24           The City Treasurer is also authorized and directed to appoint one or more agents  
25 as he or she may deem necessary or desirable, to the extent permitted by applicable

1 law and under the supervision of the City Treasurer, such agents may serve as paying  
2 agent, fiscal agent, rebate calculation agent, escrow agent or registrar for the Series  
3 2018C Bonds or may assist the City Treasurer in performing any or all of such functions  
4 and such other duties as the City Treasurer shall determine. Such agents shall serve  
5 under such terms and conditions as the City Treasurer shall determine. The City  
6 Treasurer may remove or replace agents appointed pursuant to this paragraph at any  
7 time.

8 Section 12. Defeasance Provisions. Payment of all or any portion of the Series  
9 2018C Bonds may be provided for prior to such Series 2018C Bonds' respective stated  
10 maturities by irrevocably depositing with the City Treasurer (or any commercial bank or  
11 trust company designated by the City Treasurer to act as escrow agent with respect  
12 thereto):

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

22 (b) Defeasance Securities (as herein defined) not subject to call,  
23 except as provided below in the definition thereof, maturing and paying interest at  
24 such times and in such amounts; together with interest earnings and cash, if  
25 required, as will, without reinvestment, as certified by an independent certified

1 public accountant, be fully sufficient to pay the principal and all unpaid interest to  
2 maturity, or to the Redemption Date, as the case may be, and any premium due  
3 on the Series 2018C Bonds to be paid or redeemed, as such principal and  
4 interest come due; provided, that, in the case of the Series 2018C Bonds which  
5 are to be redeemed prior to maturity, notice of such redemption shall be given as  
6 provided in Section 8 hereof or an irrevocable election to give such notice shall  
7 have been made by the City; then, all obligations of the City with respect to such  
8 outstanding Series 2018C Bonds shall cease and terminate, except only the tax  
9 covenants under Section 26 and the obligation of the City to pay or cause to be  
10 paid from the funds deposited pursuant to clause (a) or (b) of this Section 12, to  
11 the owners of such Series 2018C Bonds all sums due with respect thereto; and  
12 provided further, that the City shall have received an opinion of nationally  
13 recognized bond counsel, that provision for the payment of such Series 2018C  
14 Bonds has been made in accordance with this Section 12.

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

18 (i) United States Obligations (as defined below); and

19 (ii) Pre-refunded fixed interest rate municipal obligations

20 meeting the following conditions: (A) the municipal obligations are not  
21 subject to redemption prior to maturity, or the trustee or paying agent has  
22 been given irrevocable instructions concerning their calling and  
23 redemption and the issuer has covenanted not to redeem such obligations  
24 other than as set forth in such instructions; (B) the municipal obligations  
25 are secured by cash and/or United States Obligations; (C) the principal of

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

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

23 For purposes of this Section 12, "Rating Agencies" shall mean Moody's Investors  
24 Service, Fitch Ratings, and S&P Global Ratings, or any other nationally-recognized

1 bond rating agency that is the successor to any of the foregoing rating agencies or that  
2 is otherwise established after the date hereof.

3 Section 13. Sale of Series 2018C Bonds By Competitive or Negotiated Sale.

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

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

8 (a) Official Notice of Sale. The form of proposed Official Notice of Sale  
9 inviting bids for the Series 2018C Bonds (the "Official Notice of Sale") submitted  
10 to the Board of Supervisors is approved and adopted as the Official Notice of  
11 Sale inviting bids for the Series 2018C Bonds, with such changes, additions and  
12 modifications as may be made in accordance with Section 20. The Director of  
13 Public Finance is authorized and directed to cause to be mailed or otherwise  
14 circulated to prospective bidders for the Series 2018C Bonds copies of the  
15 Official Notice of Sale, subject to such corrections, revisions or additions as may  
16 be acceptable to the Director of Public Finance.

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

19 (c) Bond Award. As provided in the Official Notice of Sale, the City  
20 may reject any and all bids received for any reason. The Controller is authorized  
21 to award the Series 2018C Bonds to the responsible bidder whose bid (i) is  
22 timely received and conforms to the Official Notice of Sale, except to the extent  
23 informalities and irregularities are waived by the City as permitted by the Official  
24 Notice of Sale; and (ii) represents the lowest true interest cost to the City in  
25 accordance with the procedures described in the Official Notice of Sale. The

1 award, if made, shall be set forth in a certificate signed by the Controller setting  
2 forth the terms of the Series 2018C Bonds and the original purchasers (the "Bond  
3 Award"). The Controller shall provide a copy of the Bond Award as soon as  
4 practicable to the Clerk of the Board of Supervisors and the Director of Public  
5 Finance; provided, that failure to provide such copy shall not affect the validity of  
6 the Bond Award.

7 Section 15. Publication of Notice of Intention to Sell Bonds. The form of  
8 proposed Notice of Intention to Sell the Series 2018C Bonds (the "Notice of Intention to  
9 Sell Bonds") submitted to the Board of Supervisors is approved and adopted as the  
10 Notice of Intention to Sell the Series 2018C Bonds, and the Director of Public Finance is  
11 authorized and directed to cause the Notice of Intention to Sell Bonds, subject to such  
12 corrections, revisions or additions as may be made in accordance with Section 20, to be  
13 published once in *The Bond Buyer* or another financial publication generally circulated  
14 throughout the State of California meeting the requirements of Section 53692 of the  
15 Government Code at least five (5) days prior to the date fixed for receipt of sealed  
16 proposals for the Series 2018C Bonds, or as otherwise set forth in Section 53692 of the  
17 Government Code.

18 Section 16. Authorization of Negotiated Sale; Authorization to Select  
19 Underwriters; Form of Bond Purchase Contract Approval. The Controller, in  
20 consultation with the Director of Public Finance, is hereby authorized to conduct the  
21 sale of the Series 2018C Bonds by negotiated sale pursuant to one or more Bond  
22 Purchase Contracts (each, a "Bond Purchase Contract"), each by and between the City  
23 and the underwriter(s) named therein (the "Underwriters"), if the Controller determines  
24 that such manner of sale is in the best financial interest of the City, such determination  
25 to be conclusively evidenced by the execution and delivery of such Bond Purchase

1 Contract as hereinafter approved. The form of such Bond Purchase Contract as  
2 presented to this Board of Supervisors, a copy of which is on file with the Clerk of the  
3 Board of Supervisors, is hereby approved. The Controller or the Director of Public  
4 Finance is hereby authorized to execute such Bond Purchase Contract with such  
5 changes, additions and modifications as the Controller or the Director of Public Finance  
6 may make or approve in accordance with Section 20 hereof; provided however, that the  
7 Underwriters' discount under any such Bond Purchase Contract shall not exceed 1.00%  
8 of the principal amount of the Series 2018C Bonds. In order to facilitate the sale of the  
9 Series 2018C Bonds by negotiated sale, the Controller or the Director of Public Finance  
10 is hereby authorized and directed to appoint one or more financial institutions to act as  
11 underwriter for the Series 2018C Bonds in accordance with City policies and  
12 procedures, including, but not limited to, the City's policy to provide locally  
13 disadvantaged minority business enterprises and women enterprises an equal  
14 opportunity to participate in the performance of all City contracts.

15 Section 17. Disposition of Proceeds of Sale. The proceeds of sale of the Series  
16 2018C Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if  
17 any, shall be deposited into the Series 2018C Bond Subaccount; (b) premium, if any,  
18 shall be deposited into the Series 2018C Bond Subaccount in such amount not to  
19 exceed three years of interest on the Series 2018C Bonds; and (c) remaining proceeds  
20 of sale shall be deposited into the Series 2018C Project Subaccount.

21 Section 18. Preliminary Official Statement and Official Statement. The form of  
22 proposed Preliminary Official Statement describing the Series 2018C Bonds (the  
23 "Preliminary Official Statement") submitted to the Board of Supervisors is approved and  
24 adopted as the Preliminary Official Statement describing the Series 2018C Bonds, with  
25 such additions, corrections and revisions as may be determined to be necessary or

1 desirable made in accordance with Section 20. The Controller is authorized to cause  
2 the distribution of a Preliminary Official Statement deemed final for purposes of  
3 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities  
4 Exchange Act of 1934, as amended (the "Rule"), and to sign a certificate to that effect.  
5 The Director of Public Finance is authorized and directed to cause to be printed and  
6 mailed or electronically distributed to prospective bidders for the Series 2018C Bonds  
7 the Preliminary Official Statement in substantially the form of the Preliminary Official  
8 Statement approved and adopted by this Resolution, as completed, supplemented,  
9 corrected or revised. The Controller is authorized and directed to approve, execute,  
10 and deliver the final Official Statement with respect to the Series 2018C Bonds, which  
11 final Official Statement shall be in the form of the Preliminary Official Statement, with  
12 such additions, corrections and revisions as may be determined to be necessary or  
13 desirable made in accordance with Section 20 and as are permitted under the Rule.  
14 The Director of Public Finance is authorized and directed to cause to be printed and  
15 mailed or electronically distributed the final Official Statement to all actual initial  
16 purchasers of the Series 2018C Bonds.

17       Section 19. Continuing Disclosure Certificate. The form of Continuing  
18 Disclosure Certificate (the "Continuing Disclosure Certificate"), to be signed by the City  
19 to permit the original purchasers of the Series 2018C Bonds to comply with the Rule,  
20 submitted to the Board of Supervisors is approved and adopted as the Continuing  
21 Disclosure Certificate, with such additions, corrections and revisions as may be  
22 determined to be necessary or desirable made in accordance with Section 20. The  
23 Controller is authorized and directed to execute the Continuing Disclosure Certificate on  
24 behalf of the City and deliver the Continuing Disclosure Certificate to the original  
25 purchasers of the Series 2018C Bonds.



1           Section 20. Modification to Documents. Any City official authorized by this  
2 Resolution to execute any document is further authorized, in consultation with the City  
3 Attorney and co-bond counsel, to approve and make such changes, additions,  
4 amendments or modifications to the document or documents such official is authorized  
5 to execute as may be necessary or advisable (provided, that such changes, additions,  
6 amendments or modifications shall not authorize an aggregate principal amount of  
7 Series 2018C Bonds in excess of \$189,735,000 or conflict with the provisions of  
8 Section 4). The approval of any change, addition, amendment or modification to any of  
9 the aforementioned documents shall be evidenced conclusively by the execution and  
10 delivery of the document in question.

11           Section 21. Ratification. All actions previously taken by officials, employees and  
12 agents of the City with respect to the sale and issuance of the Series 2018C Bonds,  
13 consistent with any documents presented and this Resolution, are approved, confirmed  
14 and ratified.

15           Section 22. Relationship to Authorizing Resolution. In the event of any conflict  
16 between this Resolution and the Authorizing Resolution, the terms of this Resolution  
17 shall control. Without limiting the foregoing and notwithstanding the provisions of the  
18 Authorizing Resolution, the City is not obligated to transfer money from the General  
19 Fund of the City to the Bond Account to pay the principal of or interest on the Series  
20 2018C Bonds.

21           Section 23. Accountability Reports. The Series 2018C Bonds are subject to  
22 accountability requirements under the Administrative Code and the Bond Ordinance.  
23 The deadline for submission of the Accountability report(s) under Administrative Code  
24 Sections 2.71(a) and 2.71(b) are hereby waived with respect to the Series 2018C  
25 Bonds. Accountability report(s) with respect to the Series 2018C Bonds shall be

1 submitted in all other respects in the manner required by the Administrative Code and  
2 the Bond Ordinance.

3       Section 24. Citizens' Oversight Committee. The Series 2018C Bonds are  
4 subject to, and incorporate by reference, the applicable provisions of the San Francisco  
5 Administrative Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond  
6 Oversight Committee"), and, to the extent permitted by law, one-tenth of one percent  
7 (0.1%) of the gross proceeds of the Series 2018C Bonds shall be deposited into a fund  
8 established by the Controller's Office and appropriated by the Board of Supervisors at  
9 the direction of the Citizens' General Obligation Bond Oversight Committee to cover the  
10 costs of such committee.

11       Section 25. CEQA Determination. The Board of Supervisors hereby reaffirms  
12 and incorporates by reference the CEQA findings and determinations set forth in the  
13 Bond Ordinance as if set forth in full herein. The use of bond proceeds to finance any  
14 identified project or portion of any identified project with bond proceeds will be subject,  
15 as necessary, to approval of the Board of Supervisors upon completion of any planning  
16 and any further required environmental review under CEQA for the individual facilities  
17 and projects.

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

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

21       "*Closing Date*" means the date on which the Series 2018C Bonds are first  
22 authenticated and delivered to the initial purchasers against payment therefor.

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

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

3           “*Final Computation Date*” has the meaning set forth in Section 1.148-  
4 3(e)(2) of the Regulations.

5           “*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of  
6 the Regulations, and any replacement proceeds as defined in Section 1.148-1(c)  
7 of the Regulations, of the Series 2018C Bonds.

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

10          “*Nonpurpose Investment*” means any investment property, as defined in  
11 Section 148(b) of the Code, in which Gross Proceeds of the Series 2018C Bonds  
12 are invested and which is not acquired to carry out the governmental purposes of  
13 the Series 2018C Bonds.

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

16          “*Regulations*” means any proposed, temporary, or final Income Tax  
17 Regulations issued pursuant to Sections 103 and 141 through 150 of the Code,  
18 and 103 of the Internal Revenue Code of 1954, which are applicable to the  
19 Series 2018C Bonds. Any reference to any specific Regulation shall also mean,  
20 as appropriate, any proposed, temporary or final Income Tax Regulation  
21 designed to supplement, amend or replace the specific Regulation referenced.

22          “*Yield*” of:

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

1 (ii) the Series 2018C Bonds has the meaning set forth in  
2 Section 1.148-4 of the Regulations.

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

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

18 (i) exclusively own, operate and possess all property, the  
19 acquisition, construction or improvement of which is to be financed or  
20 refinanced directly or indirectly with Gross Proceeds of the Series 2018C  
21 Bonds, and not use or permit the use of such Gross Proceeds (including  
22 all contractual arrangements with terms different than those applicable to  
23 the general public) or any property acquired, constructed or improved with  
24 such Gross Proceeds in any activity carried on by any person or entity  
25 (including the United States or any agency, department and

1 instrumentality thereof) other than a state or local government, unless  
2 such use is solely as a member of the general public; and

3 (ii) not directly or indirectly impose or accept any charge or  
4 other payment by any person or entity who is treated as using Gross  
5 Proceeds of the Series 2018C Bonds or any property the acquisition,  
6 construction or improvement of which is to be financed or refinanced  
7 directly or indirectly with such Gross Proceeds, other than taxes of general  
8 application within the City or interest earned on investments acquired with  
9 such Gross Proceeds pending application for their intended purposes.

10 (d) No Private Loan. Except to the extent permitted by Section 141 of  
11 the Code and the Regulations and rulings thereunder, the City shall not use  
12 Gross Proceeds of the Series 2018C Bonds to make or finance loans to any  
13 person or entity other than a state or local government. For purposes of the  
14 foregoing covenant, such Gross Proceeds are considered to be "loaned" to a  
15 person or entity if: (i) property acquired, constructed or improved with such Gross  
16 Proceeds is sold or leased to such person or entity in a transaction which creates  
17 a debt for federal income tax purposes; (ii) capacity in or service from such  
18 property is committed to such person or entity under a take-or-pay, output or  
19 similar contract or arrangement; or (iii) indirect benefits, or burdens and benefits  
20 of ownership, of such Gross Proceeds or any property acquired, constructed or  
21 improved with such Gross Proceeds are otherwise transferred in a transaction  
22 which is the economic equivalent of a loan.

23 (e) Not to Invest at Higher Yield. Except to the extent permitted by  
24 Section 148 of the Code and the Regulations and rulings thereunder, the City  
25 shall not at any time prior to the final stated maturity of the Series 2018C Bonds

1 directly or indirectly invest Gross Proceeds in any Investment, if as a result of  
2 such investment the Yield of any Investment acquired with Gross Proceeds,  
3 whether then held or previously disposed of, exceeds the Yield of the Series  
4 2018C Bonds.

5 (f) Not Federally Guaranteed. Except to the extent permitted by  
6 Section 149(b) of the Code and the Regulations and rulings thereunder, the City  
7 shall not take or omit to take any action which would cause the Series 2018C  
8 Bonds to be federally guaranteed within the meaning of Section 149(b) of the  
9 Code and the Regulations and rulings thereunder.

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

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

17 (i) The City shall account for all Gross Proceeds (including all  
18 receipts, expenditures and investments thereof) on its books of account  
19 separately and apart from all other funds (and receipts, expenditures and  
20 investments thereof) and shall retain all records of accounting for at least  
21 six years after the day on which the last outstanding Bond is discharged.  
22 However, to the extent permitted by law, the City may commingle Gross  
23 Proceeds of the Series 2018C Bonds with other money of the City;  
24 provided that the City separately accounts for each receipt and  
25 expenditure of Gross Proceeds and the obligations acquired therewith.

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

7                   (iii)    As additional consideration for the purchase of the Series  
8 2018C Bonds by the initial purchasers and the loan of the money  
9 represented thereby and in order to induce such purchase by measures  
10 designed to ensure the excludability of the interest thereon from gross  
11 income for federal income tax purposes, the City shall pay to the United  
12 States the amount that when added to the future value of previous rebate  
13 payments made for the Series 2018C Bonds equals (i) in the case of a  
14 Final Computation Date, 100% of the Rebate Amount on such date; and  
15 (ii) in the case of any other Computation Date, 90% of the Rebate Amount  
16 on such date. In all cases, the rebate payments shall be made at the  
17 times, in the installments, to the place and in the manner as is or may be  
18 required by Section 148(f) of the Code and the Regulations and rulings  
19 thereunder, and shall be accompanied by Form 8038-T or such other  
20 forms and information as is or may be required by Section 148(f) of the  
21 Code and the Regulations and rulings thereunder.

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

1 events within 180 days after discovery of the error), including payment to  
2 the United States of any additional Rebate Amount owed to it, interest  
3 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  
7 shall not, at any time prior to the final payment on the Series 2018C Bonds, enter  
8 into any transaction that reduces the amount required to be paid to the United  
9 States pursuant to Section 26(h) above because such transaction results in a  
10 smaller profit or a larger loss than would have resulted if the transaction had  
11 been at arm's length and had the Yield of the Series 2018C Bonds not been  
12 relevant to either party.

13 Section 27. General Authority. The Clerk of the Board of Supervisors, the  
14 Mayor, the City Treasurer, the Director of Public Finance, the City Attorney and the  
15 Controller are each authorized and directed in the name and on behalf of the City to  
16 take any and all steps and to issue, deliver or enter into any and all certificates,  
17 requisitions, agreements, notices, consents, and other documents as may be necessary  
18 to give effect to the provisions of this Resolution, including but not limited to tax  
19 compliance certificates and letters of representations to any depository or depositories,  
20 which they or any of them might deem necessary or appropriate in order to  
21 consummate the lawful issuance, sale and delivery of the Series 2018C Bonds. Any  
22 such actions are solely intended to further the purposes of this Resolution, and are  
23 subject in all respects to the terms of this Resolution. No such actions shall increase  
24 the risk to the City or require the City to spend any resources not otherwise granted  
25 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 (EARTHQUAKE SAFETY AND EMERGENCY RESPONSE BONDS, 2014) SERIES 2018C	

Interest Rate	Maturity Date	Dated Date	CUSIP Number
			_____

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 \$400,000,000 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 3, 2014 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. 313-14, adopted by the Board of Supervisors of the City (the  
4 “Board of Supervisors”) on July 29, 2014, and duly approved by the Mayor of the City on  
5 August 7, 2014, and Resolution No. \_\_\_\_, adopted by the Board of Supervisors on  
6 \_\_\_\_\_, and duly approved by the Mayor of the City on \_\_\_\_\_ (together with the  
7 related Certificate Awarding the Bonds and Fixing Definitive Interest Rates for the Bonds,  
8 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: \_\_\_\_\_

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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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