

OFFICIAL NOTICE OF SALE

and

OFFICIAL BID FORM

\$ _____ *

**CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(1500 MISSION PROJECT)
SERIES 201_**

The City and County of San Francisco will receive sealed bids and electronic bids for the above-referenced certificates of participation at the place and up to the time specified below:

SALE DATE: _____, 201_
(Subject to postponement, cancellation, modification or amendment in accordance with this Official Notice of Sale)

TIME: [_____] a.m., California time

PLACE: Controller's Office of Public Finance
1 Dr. Carlton B. Goodlett Place, Room 336,
San Francisco, California 94102

DELIVERY DATE: _____, 201_*

* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

\$ _____*
**CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(1500 MISSION PROJECT)
SERIES 201_**

NOTICE IS HEREBY GIVEN that electronic bids and sealed bids will be received in the manner described below, in the case of electronic bids, through Ipreo LLC's BiDCOMP™/PARITY® System (“Parity”), and in the case of sealed bids, at the Controller’s Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102, by the City and County of San Francisco (the “City”) for the purchase of \$_____ aggregate principal amount of City and County of San Francisco Certificates of Participation (1500 Mission Project), Series 201_ (the “Certificates”). The Certificates evidence direct, fractional undivided interests of the Owners thereof in Base Rental Payments to be made by the City for the use of certain real property pursuant to a Lease Agreement, dated as of ____ 1, 201_, by and between the City, as lessee, and _____, as trustee and lessor. Bidding procedures and sale terms are as follows:

- Issue:** The Certificates are described in the City’s Preliminary Official Statement for the Certificates dated _____, 201_ (the “Preliminary Official Statement”).
- Time:** Bids for the Certificates must be received by the City by [____] a.m., California time, on _____, 201_.
- Place:** Sealed, hand-delivered bids for the Certificates must be delivered to Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102. Instead of sealed, hand-delivered bids, bidders may submit electronic bids in the manner and subject to the terms and conditions described under “TERMS OF SALE – Form of Bids; Delivery of Bids” below, but no bid will be received after the time for receiving bids specified above.

THE RECEIPT OF BIDS ON _____, 201_ MAY BE POSTPONED OR CANCELLED AT OR PRIOR TO THE TIME BIDS ARE TO BE RECEIVED. NOTICE OF SUCH POSTPONEMENT OR CANCELLATION WILL BE COMMUNICATED BY THE CITY THROUGH THOMSON REUTERS AND/OR BLOOMBERG BUSINESS NEWS (COLLECTIVELY, THE “NEWS SERVICES”) AND/OR PARITY (AS DESCRIBED IN “TERMS OF SALE – FORM OF BIDS; DELIVERY OF BIDS” BELOW) AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION. Notice of the new date and time for receipt of bids shall be given through

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Parity and/or the News Services as soon as practicable following a postponement and no later than [1]:00 p.m., California time, on the business day preceding the new date for receiving bids.

As an accommodation to bidders, notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from either of the City's Co-Financial Advisors: KNN Public Finance, a division of Zions Public Finance Inc., 1300 Clay Street, Suite 1000, Oakland, California 94612, telephone (510) 208-8205, Attention: David Brodsky (e-mail: dbrodsky@knninc.com); and Ross Financial, 1736 Stockton Street, Suite One, San Francisco, California 94133, telephone (415) 914-5612, Attention: Peter Ross (e-mail: rossfinancial@smkc.com) (the "**Co-Financial Advisors**"), provided, however, that failure of any bidder to receive such supplemental notice shall not affect the sufficiency of any such notice or the legality of the sale. See "TERMS OF SALE – Postponement or Cancellation of Sale."

The City reserves the right to modify or amend this Official Notice of Sale in any respect, including, without limitation, increasing or decreasing the principal amount of any serial maturity or sinking account installment prepayment for the Certificates and adding or deleting serial or term maturity and sinking account installment prepayment dates, along with corresponding principal amounts with respect thereto; provided, that any such modification or amendment will be communicated to potential bidders through the News Services and Parity not later than [1]:00 p.m., California time, on the business day preceding the date for receiving bids. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale. Bidders are required to bid upon the Certificates as so modified or amended. See "TERMS OF SALE – Right to Modify or Amend."

Bidders are referred to the Preliminary Official Statement for additional information regarding the City, the Certificates, the security for the Certificates and other matters. See "CLOSING PROCEDURES AND DOCUMENTS – Official Statement." Capitalized terms used and not defined in this Official Notice of Sale shall have the meanings ascribed to them in the Preliminary Official Statement.

This Official Notice of Sale will be submitted for posting to Parity (as described in "TERMS OF SALE – Form of Bids; Delivery of Bids" below). In the event the summary of the terms of sale of the Certificates posted on Parity conflicts with this Official Notice of Sale in any respect, the terms of this Official Notice of Sale shall control, unless a notice of an amendment is given as described herein.

TERMS RELATING TO THE CERTIFICATES

THE AUTHORITY FOR EXECUTION AND DELIVERY, PURPOSES, PAYMENT OF PRINCIPAL AND INTEREST, PREPAYMENT, DEFEASANCE, SOURCES AND USES OF FUNDS, SECURITY AND SOURCES OF PAYMENT, FORM OF LEGAL OPINIONS OF CO-CERTIFICATE COUNSEL AND OTHER INFORMATION REGARDING THE CERTIFICATES ARE PRESENTED IN THE PRELIMINARY OFFICIAL STATEMENT, WHICH EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED PRIOR TO BIDDING FOR THE CERTIFICATES. THIS OFFICIAL NOTICE OF SALE GOVERNS ONLY THE TERMS OF SALE, BIDDING, AWARD AND CLOSING PROCEDURES FOR THE CERTIFICATES. THE DESCRIPTION OF THE

CERTIFICATES CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION OF THE CERTIFICATES CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.

Issue. The Certificates will be executed and delivered in book-entry form in denominations of \$5,000 or any integral multiple of that amount, as designated by the successful bidder (the “**Purchaser**”), all dated the date of delivery, which is expected to be _____, 201_*. If the sale is postponed, notice of the new date of the sale will also set forth the new expected date of delivery of the Certificates.

Book-Entry Only. The Certificates will be registered in the name of a nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository for the Certificates. Individual purchases of the Certificates will be made in book-entry form only, and the Purchaser will not receive certificates representing its interest in the Certificates purchased. As of the date of award of the Certificates, the Purchaser must either participate in DTC or must clear through or maintain a custodial relationship with an entity that participates in DTC.

Interest Rates. Interest on the Certificates will be payable on _____, 20___, and semiannually thereafter on _____ and _____ of each year (each an “**Interest Payment Date**”). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months from the dated date of the Certificates. Bidders may specify any number of separate rates, and the same rate or rates may be repeated as often as desired, provided:

- (i) each interest rate specified in any bid for the Certificates must be a multiple of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum;
- (ii) the maximum interest rate bid for any maturity shall not exceed [twelve percent (12%)] per annum;
- (iii) no Certificate shall bear a zero rate of interest;
- (iv) each Certificate shall bear interest from its dated date to its stated maturity date at the single rate of interest specified in the bid; and
- (v) all Certificates maturing at any one time shall bear the same rate of interest.

See the Preliminary Official Statement – “**THE CERTIFICATES – Payment of Interest and Principal.**”

Principal Payments. The Certificates shall be serial and/or term Certificates, as specified by each bidder, and principal shall be payable on _____ of each year, commencing on _____, 201_ as shown below. Subject to the City’s right to modify or amend this Notice of Sale (see “**TERMS OF SALE – Right to Modify or Amend**”), the final maturity of the Certificates shall be _____. The principal amount of the Certificates maturing or subject to mandatory sinking account installment prepayment in any year shall be in integral multiples of \$5,000. [For any term

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Certificate specified, the principal amount for a given year may be allocated only to a single term Certificate and must be part of an uninterrupted annual sequence from the first mandatory sinking account installment payment to the term Certificate maturity. The aggregate amount of the principal amount of the serial maturity or mandatory sinking account installment payment for the Certificates is shown below for information purposes only.] **Bidders for the Certificates will provide bids for all of the Certificates Principal Amounts.** Subject to the City’s right to modify or amend this Notice of Sale (see “TERMS OF SALE – Right to Modify or Amend”), and to adjustment as provided in this Notice of Sale (see “ – Adjustment of Principal Payments”), the aggregate principal amount of the serial maturity or sinking account installment prepayment for the Certificates in each year is as follows:

Principal Payment Date (_____)	Series 201_ Certificates <u>Principal Amount*</u>
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TOTAL

Adjustment of Principal Payments. The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the City with respect to the likely interest rates of the winning bid and the premium contained in the winning bid. **The City reserves the right to change the principal payment schedule set forth above after the determination of the successful bidder, by adjusting one or more of the principal payments of the Certificates, in increments of \$5,000, as determined in the sole discretion of the City. Any such adjustment of principal payments with respect to the Certificates shall be based on the schedule of principal payments provided by the City to be used as the basis of bids for the Certificates. Any such adjustment will not change the average per Certificate dollar amount of the underwriter’s discount. Any such adjustment will be communicated to the successful bidder within 24 hours after receipt of such bid by the City. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn.**

See also “TERMS OF SALE – Right to Modify or Amend,” regarding the City’s right to modify or amend this Official Notice of Sale in any respect including, without limitation,

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increasing or decreasing the principal amount of any serial maturity or mandatory sinking account installment prepayments for the Certificates and adding or deleting serial or term maturity and sinking account installment prepayment dates, along with corresponding principal amounts with respect thereto.

A BIDDER AWARDED THE CERTIFICATES BY THE CITY WILL NOT BE PERMITTED TO WITHDRAW ITS BID, CHANGE THE INTEREST RATES IN ITS BID OR THE REOFFERING PRICES IN ITS REOFFERING PRICE CERTIFICATE AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL PAYMENTS OF SUCH CERTIFICATES IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE.

Prepayment.

(i) Optional Prepayment of the Certificates. The 201_ Certificates with a Certificate Payment Date on or after ____, are subject to optional prepayment prior to their respective Certificate Payment Dates in whole or in part on any date on or after [____], at the option of the City, in the event the City exercises its option under the Lease Agreement to prepay the principal component of the Base Rental Payments at a prepayment price equal to 100% of the principal component to be prepaid, plus accrued interest to the date fixed for prepayment, without premium. See the Preliminary Official Statement – “THE CERTIFICATES – Prepayment of the Certificates – *Optional Prepayment.*”

(ii) Special Mandatory Prepayment. The Certificates are subject to mandatory prepayment prior to their respective Certificate Payment Dates in whole or in part on any date, at the Prepayment Price (plus accrued but unpaid interest to the prepayment date), without premium, from amounts deposited in the Base Rental Fund pursuant to the Trust Agreement hereof following an event of damage, destruction or condemnation of the Leased Property or any portion thereof or loss of the use or possession of the Leased Property or any portion thereof due to a title defect. See the Preliminary Official Statement – “THE CERTIFICATES – Prepayment of the Certificates – *Special Mandatory Prepayment.*”

Legal Opinions and Tax Matters. Upon delivery of the Certificates, Norton Rose Fulbright US LLP and Curls Bartling P.C., Co-Certificate Counsel to the City (“**Co-Certificate Counsel**”), will deliver their separate legal opinions as to the validity and enforceability of the Certificates.

A complete copy of the proposed form of opinion of Co-Certificate Counsel is set forth in Appendix F to the Preliminary Official Statement. Copies of the opinions of Co-Certificate Counsel will be furnished to the Purchaser upon delivery of the Certificates.

See the Preliminary Official Statement – “TAX MATTERS.”

(iii) Sinking Account Installment Prepayment. The 201_ Certificates with a Certificate Payment Date of [____], are subject to sinking account installment prepayment prior to their Certificate Payment Date in part, by lot, on each [Payment Date 1], beginning [____], in the amounts set forth below, from scheduled payments of the principal component of Base Rental payments, at the principal amount of Certificates to be prepaid, plus accrued interest to the prepayment date, without premium:

Prepayment Date
([Payment Date 1])

Sinking Account
Installment Amount

TERMS OF SALE

Form of Bids; Delivery of Bids. Each bid for the Certificates must be: (1) for not less than all of the Certificates offered for sale, (2) unconditional, and (3) either submitted (i) on the Official Bid Form attached hereto as Exhibit A and signed by the bidder, or (ii) via Parity, along with a facsimile transmission by the winning bidder, after the verbal award, of the completed and signed applicable Official Bid Form conforming to the Parity bid, with any adjustments made by the City pursuant hereto, by not later than [11]:00 a.m., California time, on the sale date. Electronic bids must conform to the procedures established by Parity. Sealed bids must be enclosed in a sealed envelope, delivered to the City at the address set forth on the cover and clearly marked “Bid for the City and County of San Francisco Certificates of Participation (1500 Mission Project), Series 201_” or words of similar import, as hereinafter described and received by [____] a.m., California time, on _____, 201_, at the offices of the Office of Public Finance, c/o Nadia Sesay, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102; telephone: (415) 554-5956. No bid submitted to the City shall be subject to withdrawal or modification by the bidder.

All bids will be deemed to incorporate all of the terms of this Official Notice of Sale. If the sale of the Certificates is canceled or postponed, all bids for the Certificates shall be rejected. No bid submitted to the City shall be subject to withdrawal or modification by the bidder. No bid will be accepted after the time for receiving bids. The City retains absolute discretion to determine whether any bidder is a responsible bidder and whether any bid is timely, legible and complete and conforms to this Official Notice of Sale. The City takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete, illegible or nonconforming with this Official Notice of Sale or has not been received.

Solely as an accommodation to bidders, electronic bids will be received exclusively through Parity in accordance with this Official Notice of Sale. For further information about Parity, potential bidders may contact either of the Co-Financial Advisors at the numbers provided above or Parity at: (212) 404-8107.

Warnings Regarding Electronic Bids. Bids for the Certificates may be submitted electronically via Parity. The City will attempt to accommodate bids submitted electronically via Parity. However, the City does not endorse or encourage the use of such electronic bidding service. None of the City, the City Attorney, the Co-Financial Advisors or Co-Certificate Counsel assumes

any responsibility for any error contained in any bid submitted electronically or for failure of any bid to be transmitted, received or opened by the time for receiving bids, and each bidder expressly assumes the risk of any incomplete, illegible, untimely or nonconforming bid submitted by electronic transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telecommunications lines, or any other cause arising from submission by electronic transmission. The time for receiving bids will be determined by the City at the place of bid opening, and the City will not be required to accept the time kept by Parity.

If a bidder submits an electronic bid for the Certificates through Parity, such bidder thereby agrees to the following terms and conditions: (1) if any provision in this Official Notice of Sale with respect to the Certificates conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments or modifications issued through Parity and/or the News Services, will control; (2) each bidder will be solely responsible for making necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale; (3) the City will not have any duty or obligation to provide or assure access to Parity to any bidder, and the City will not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid submitted by any bidder through Parity; (4) the City is permitting use of Parity as a communication mechanism, and not as an agent of the City, to facilitate the submission of electronic bids for the Certificates; Parity is acting as an independent contractor, and is not acting for or on behalf of the City; (5) the City is not responsible for ensuring or verifying bidder compliance with any procedures established by Parity; (6) the City may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for the Certificates or the interest rates for any maturity of the Certificates) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory; (7) if the bidder's bid is accepted by the City, the signed, completed and conforming Official Bid Form submitted by the bidder by facsimile transmission after the verbal award, this Official Notice of Sale and the information that is transmitted electronically through Parity will form a contract, and the bidder will be bound by the terms of such contract; and (8) information provided by Parity to bidders will form no part of any bid or of any contract between the Purchaser and the City unless that information is included in this Official Notice of Sale or the Official Bid Form.

Basis of Award. Unless all bids are rejected, the Certificates will be awarded to the responsible bidder who submits a conforming bid that represents the lowest true interest cost to the City. The true interest cost will be that nominal interest rate that, when compounded semiannually and applied to discount all payments of principal and interest payable on the Certificates to the dated date of the Certificates, results in an amount equal to the principal amount of the Certificates plus the amount of any net premium. For the purpose of calculating the true interest cost, mandatory sinking account installment prepayments for any term Certificates specified by a bidder will be treated as Certificates maturing on the dates of such sinking account installment prepayments. In the event that two or more bidders offer bids for the Certificates at the same true interest cost, the City will determine by lot which bidder will be awarded the Certificates. Bid evaluations or rankings made by Parity are not binding on the City.

Estimate of True Interest Cost. Each bidder is requested, but not required, to supply an estimate of the true interest cost based upon its bid, which will be considered as informative only and not binding on either the bidder or the City.

Multiple Bids. In the event multiple bids with respect to the Certificates are received from a single bidder by any means or combination thereof, the City shall be entitled to accept the bid representing the lowest true interest cost to the City, and each bidder agrees by submitting multiple bids to be bound by the bid representing the lowest true interest cost to the City.

Good Faith Deposit. To secure the City from any loss resulting from the failure of the apparent winning bidder to comply with the terms of its bid, a good faith deposit in the amount of \$_____ (the “**Good Faith Deposit**”) must be provided to the City by the apparent winning bidder.

Upon the determination by the City of the apparent winning bidder of the Certificates, the Co-Financial Advisors will (i) provide to the apparent winning bidder of the Certificates the wire transfer information and (ii) request the apparent winning bidder to immediately wire the Good Faith Deposit to the City. No later than ninety (90) minutes after the time the Co-Financial Advisors request the apparent winning bidder to wire the Good Faith Deposit to the City, the apparent winning bidder of the Certificates must wire the Good Faith Deposit to the City and provide the Federal wire reference number of such Good Faith Deposit to the Co-Financial Advisors. In the event that the apparent winning bidder does not wire the Good Faith Deposit to the City or does not provide the Federal wire reference number of such Good Faith Deposit to the Co-Financial Advisors within the time specified above, the City may reject the bid of the apparent winning bidder and award Certificates to a responsible bidder that submitted a conforming bid that represents the next lowest true interest cost to the City.

No interest will be paid upon the Good Faith Deposit made by any bidder. The Good Faith Deposit of the Purchaser will immediately become the property of the City. The Good Faith Deposit will be held and invested for the exclusive benefit of the City. The Good Faith Deposit, without interest thereon, will be credited against the purchase price of the Certificates purchased by the Purchaser at the time of delivery thereof.

If the purchase price is not paid in full upon tender of the Certificates, the City shall retain the Good Faith Deposit and the Purchaser will have no right in or to the Certificates or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such deposit, unless it shall appear that the Certificates would not be validly delivered to the Purchaser in the form and manner proposed, except pursuant to a right of cancellation. See “CLOSING PROCEDURES AND DOCUMENTS – Right of Cancellation.” In the event of nonpayment for the Certificates by a successful bidder, the City reserves any and all rights granted by law to recover the full purchase price of the Certificates and, in addition, any damages suffered by the City.

Reoffering Prices and Certificate. The Purchaser of the Certificates must actually reoffer all of the Certificates to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers). As soon as is practicable, but not later than one hour after the award of the Certificates, the successful bidder shall provide to the City a completed certificate in the form attached hereto as Exhibit B (a “**Reoffering Price**”).

Certificate”), which will state the initial offering prices at which it has offered all of the Certificates of each maturity to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers), in a bona fide public offering. In addition, on the day prior to delivery of the Certificates, the Purchaser shall provide an Issue Price Certificate, which shall be dated the date of the closing and in the form attached hereto as Exhibit C, with such modifications acceptable to or as may be requested by Co-Certificate Counsel, to the following:

- the City

- Norton Rose Fulbright US LLP
555 South Flower Street, Forty-First Floor
Los Angeles, California 90071
Fax: 213-892-9494
Attention: Russ Trice
Email: russ.trice@nortonrosefulbright.com

- Curls Bartling P.C.
1999 Harrison Street, Suite 610
Oakland, California 94612
Fax: 510-984-6163
Email: ericka@curlsbartling.com

For the purposes of this paragraph, sales of the Certificates to other securities brokers or dealers will not be considered sales to the general public.

Electronic Bids; Delivery of Form of Bids. If the City accepts a bidder’s bid that was submitted through Parity, the successful bidder shall submit a signed, completed and conforming Official Bid Form by facsimile transmission to Director of Public Finance, fax: (415) 554-4864, as soon as practicable, but not later than one hour after the verbal award of the Certificates.

Right of Rejection and Waiver of Irregularity. The City reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid which does not materially affect such bid or change the ranking of the bids.

Right to Modify or Amend. Other than with respect to postponement or cancellation as described in this Official Notice of Sale, and in addition to the City’s right to adjust the payment amounts of the Certificates as provided in “TERMS RELATING TO THE CERTIFICATES – Adjustment of Principal Payments” the City reserves the right to modify or amend this Official Notice of Sale in any respect including, without limitation, increasing or decreasing the principal amount of any serial maturity or mandatory sinking account installment prepayment for the Certificates and adding or deleting serial or term maturity and mandatory sinking account installment prepayment dates, along with corresponding principal amounts with respect thereto; provided, that, subject to the terms of this Notice of Sale (see “TERMS RELATING TO THE CERTIFICATES – Adjustment of Principal Payments”) any such modification or amendment will be communicated to potential bidders through Parity and the News Services not later than [1]:00 p.m., California time, on the business day preceding the date for receiving bids. Failure of any

potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale.

Postponement or Cancellation of Sale. The City may postpone or cancel the sale of the Certificates at or prior to the time for receiving bids. Notice of such postponement or cancellation shall be given through Parity and/or the News Services as soon as practicable following such postponement or cancellation. If a sale is postponed, notice of a new sale date will be given through Parity and/or the News Services as soon as practicable following a postponement and no later than [1]:00 p.m., California time, on the business day preceding the new date for receiving bids. Failure of any potential bidder to receive notice of postponement or cancellation will not affect the sufficiency of any such notice.

Prompt Award. The Controller of the City will take official action awarding the Certificates or rejecting all bids with respect to the Certificates not later than thirty (30) hours after the time for receipt of bids for the Certificates, unless such time period is waived by the Purchaser.

Equal Opportunity. Pursuant to the spirit and intent of the City's Local Business Enterprise ("LBE") Ordinance, Chapter 14B of the Administrative Code of the City, the City strongly encourages the inclusion of Local Business Enterprises certified by the San Francisco Human Rights Commission in prospective bidding syndicates. A list of certified LBEs may be obtained from the San Francisco Human Rights Commission, 25 Van Ness Avenue, Room 800, San Francisco, California 94102; telephone: (415) 252-2500.

CLOSING PROCEDURES AND DOCUMENTS

Delivery and Payment. **Delivery of the Certificates will be made through the book-entry facilities of DTC in New York, New York, and is presently expected to take place on or about _____, 201_*** Payment for the Certificates (including any premium) must be made at the time of delivery in immediately available funds to the City Treasurer. Any expense for making payment in immediately available funds shall be borne by the Purchaser. The City will deliver to the Purchaser, dated as of the delivery date, the legal opinions with respect to the Certificates described in APPENDIX F – "PROPOSED FORM OF OPINIONS OF CO-CERTIFICATE COUNSEL" to the Preliminary Official Statement.

Qualification for Sale. The City will furnish such information and take such action not inconsistent with law as the Purchaser may request and the City may deem necessary or appropriate to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; provided, that the City will not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. By submitting its bid for the Certificates, the Purchaser assumes all responsibility for qualifying the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of the states and jurisdictions in which the Purchaser offers or sells the Certificates, including the payment of fees for such qualification. Under no circumstances may the Certificates be sold or offered for sale or any solicitation of an offer to buy the Certificates be

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made in any jurisdiction in which such sale, offer or solicitation would be unlawful under the securities laws of the jurisdiction.

No Litigation. The City will deliver a certificate stating that no litigation of any nature is pending, or to the knowledge of the officer of the City executing such certificate, threatened, restraining or enjoining the sale, issuance or delivery of the Certificates or any part thereof, or the entering into or performance of any obligation of the City, or concerning the validity of the Certificates, the ability of the City to levy and collect the *ad valorem* tax required to pay debt service on the Certificates, the corporate existence or the boundaries of the City, or the entitlement of any officers of the City who will execute the Certificates to their respective offices.

Right of Cancellation. The Purchaser will have the right, at its option, to cancel this contract if the City fails to execute the Certificates and tender the same for delivery within thirty (30) days from the sale date, and in such event the Purchaser will be entitled only to the return of the Good Faith Deposit, without interest thereon.

CUSIP Numbers. It is anticipated that CUSIP numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificate nor any error with respect thereto will constitute cause for a failure or refusal by the Purchaser of the Certificates to accept delivery of and pay for such Certificates in accordance with the terms of this contract. The Purchaser, at its sole cost, will obtain separate CUSIP numbers for each maturity of the Certificates. CUSIP is a registered trademark of American Bankers Association. CUSIP data is provided by CUSIP Global Services managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The City takes no responsibility for the accuracy of such CUSIP numbers. CUSIP numbers are provided only for the convenience of the Purchaser of the Certificates.

Expenses of the Successful Bidder. CUSIP Service Bureau charges, California Debt and Investment Advisory Commission fees (under California Government Code Section 8856), Depository Trust Company charges and all other expenses of the successful bidder will be the responsibility of the successful bidder. Pursuant to Section 8856 of the California Government Code, the Purchaser must pay to the California Debt and Investment Advisory Commission, within sixty (60) days from the sale date, the statutory fee for the Certificates purchased.

Official Statement. Copies of the Preliminary Official Statement with respect to the Certificates will be furnished or electronically transmitted to any potential bidder upon request to the Office of Public Finance or to either of the Co-Financial Advisors. (The contact information for the Co-Financial Advisors are set forth above in this Official Notice of Sale.) In accordance with Rule 15c2-12 of the Securities and Exchange Commission, as amended ("**Rule 15c2-12**"), the City deems the Preliminary Official Statement final as of its date, except for the omission of certain information permitted by Rule 15c2-12. Within seven business days after the date of award of the Certificates, the Purchaser of the Certificates will be furnished with a reasonable number of copies (not to exceed 50) of the final Official Statement, without charge, for distribution in connection with the resale of the Certificates. The Purchaser of the Certificates must notify the City in writing within two days of the sale of the Certificates if the Purchaser requires additional

copies of the final Official Statement to comply with applicable regulations. The cost for such additional copies will be paid by the Purchaser requesting such copies.

By submitting a bid for the Certificates, the Purchaser of the Certificates agrees: (1) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements, (2) to promptly file a copy of the final Official Statement, including any supplements, with the Municipal Securities Rulemaking Board, and (3) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Certificates to the Purchaser, including, without limitation, the delivery of a final Official Statement, including any supplements, to each investor who purchases Certificates.

The form and content of the final Official Statement is within the sole discretion of the City. The name of a Purchaser of the Certificates will not appear on the cover of the final Official Statement.

Certificate Regarding Official Statement. At the time of delivery of the Certificates, the Purchaser will receive a certificate, signed by an authorized representative of the City, confirming to the Purchaser that (i) such authorized representative has determined that, to the best of such authorized representative's knowledge and belief, the final Official Statement (excluding reoffering information, information relating to The Depository Trust Company and its book-entry system, as to which no view will be expressed) did not as of its date, and does not as of the date of closing, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (ii) such authorized representative knows of no material adverse change in the condition or affairs of the City that would make it unreasonable for such Purchaser of the Certificates to rely upon the final Official Statement in connection with the resale of the Certificates, and (iii) the City authorizes the Purchaser of the Certificates to distribute copies of the final Official Statement in connection with the resale of the Certificates.

Purchaser Certificate Concerning Official Statement. As a condition of delivery of the Certificates, the Purchaser of the Certificates will be required to execute and deliver to the City, prior to the date of closing, a certificate to the following effect:

- (i) The Purchaser has provided to the City the initial reoffering prices or yields on the Certificates as printed in the final Official Statement, and the Purchaser has made a bona fide offering of the Certificates to the public at the prices and yields so shown.
- (ii) The Purchaser has not undertaken any responsibility for the contents of the final Official Statement. The Purchaser, in accordance with and as part of its responsibilities under the federal securities laws, has reviewed the information in the final Official Statement and has not notified the City of the need to modify or supplement the final Official Statement.
- (iii) The foregoing statements will be true and correct as of the date of closing.

Continuing Disclosure. In order to assist bidders in complying with Rule 15c2-12, the City will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information, operating data and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Except as otherwise disclosed in the Official Statement under the heading “CONTINUING DISCLOSURE,” for the past five years, the City has been in compliance in all material respects with its continuing disclosure obligations under Rule 15c2-12.

Additional Information. Prospective bidders should read the entire Preliminary Official Statement, copies of which may be obtained in electronic form from the City.

[Sales Outside of the United States. The Purchaser must undertake responsibility for compliance with any laws or regulations of any foreign jurisdiction in connection with any sale of the Certificates to persons outside the United States.]

[Insurance. No bids with municipal bond insurance will be accepted.]

Dated: _____ __, 201_

EXHIBIT A

BID TIME: [_____] a.m. (California time)

_____, 201_

OFFICIAL BID FORM FOR THE PURCHASE OF

\$ _____ *

**CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(1500 MISSION PROJECT)
SERIES 201_**

Controller
City and County of San Francisco
c/o Office of Public Finance
1 Dr. Carlton B. Goodlett Place, Room 336
San Francisco, California 94102
Confirm Number: (415) 554-6643

BIDDING FIRM'S NAME:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated _____, 201_, which is incorporated herein and made a part of this proposal, we have reviewed the Preliminary Official Statement relating to, among other things, the above-referenced certificates of participation (the "Certificates") and hereby offer to purchase all of the Certificates dated the date of their delivery on the following terms, including the submission of the required Good Faith Deposit in the amount of \$ _____ by wire transfer; and to pay therefor the price of \$ _____ (such amount being the "Purchase Price"), which is equal to the aggregate principal amount of the Certificates, plus a net original issue premium of \$ _____. The Certificates shall mature and be subject to mandatory sinking account installment prepayment (if term certificates are specified below) in the amounts and years and bear interest at the rates per annum (in multiples of 1/8 or 1/20 of 1%), as set forth in the schedules below. Sinking account installment prepayments (if term Certificates are specified below) may not commence earlier than _____.

Maturity Schedule

(1500 Mission Project), Series 201_

(Check one)⁽¹⁾

Principal Payment Date (_____)	Annual Principal Payment*	Serial Maturity	Sinking Account Installment Prepayment ⁽²⁾	Interest Rate
---	---------------------------------	--------------------	--	------------------

TOTAL

* Subject to adjustment in accordance with the Official Notice of Sale.

(1) Circle the final maturity of each term certificate specified.

(2) There may not be serial maturities for dates after the first sinking account installment prepayment. Sinking account installment prepayments may not commence earlier than _____.

Authorized Signatory

Title: _____

Phone Number: _____

TIC (optional and not
binding):

Fax Number: _____

THE BIDDER EXPRESSLY ASSUMES THE RISK OF ANY INCOMPLETE, ILLEGIBLE, UNTIMELY OR OTHERWISE NONCONFORMING BID. THE CITY RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY, LEGIBLE, COMPLETE AND CONFORMING. NO BID SUBMITTED WILL BE CONSIDERED TIMELY UNLESS, BY THE TIME FOR RECEIVING BIDS, THE ENTIRE BID FORM HAS BEEN RECEIVED BY THE DELIVERY METHOD PROVIDED IN THE NOTICE OF SALE.

The City reserves the right to modify or amend this Bid Form, in any respect, including, without limitation, increasing or decreasing the principal amount at any serial maturity or mandatory sinking account installment by payment for the Certificates and adding or deleting serial or term maturity and mandatory sinking account installment and payment dates, along with corresponding principal amounts with respect thereto as provided in "TERMS RELATING TO THE CERTIFICATES – Adjustment of Principal Payments" and "TERMS OF SALE – Right to Modify or Amend" in the Official Notice of Sale.

EXHIBIT B

FORM OF REOFFERING PRICE CERTIFICATE

(TO BE DELIVERED AND COMPLETED BY THE PURCHASER OF THE CERTIFICATES, AS DESCRIBED UNDER “REOFFERING PRICES AND CERTIFICATE” IN THE OFFICIAL NOTICE OF SALE)

CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(1500 MISSION PROJECT)
SERIES 201_

This Certificate is being delivered by [*insert name*], the purchaser (the “Purchaser”), in connection with its purchase of the above-captioned Certificates (together, the “Certificates”). The Purchaser hereby certifies and represents the following:

A. Issue Price.

1. All the Certificates of all maturities were actually offered by the Purchaser to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide offering at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those set forth in Schedule I attached hereto, which the Purchaser believes is not more than the fair market value of each maturity as of _____, 201_, the date of sale of the Certificates.

2. As of the date hereof, neither the Purchaser nor any affiliate of the Purchaser has participated in offering any derivative product with respect to the Certificates.

B. Compensation.

All compensation received by the Purchaser for underwriting services (which includes certain expenses) in connection with the sale and delivery of the Certificates will be paid in the form of a purchase discount in the amount of \$_____, and no part of such compensation includes any payment for any property or services other than underwriting services relating to sale and delivery of the Certificates.

The signer is an authorized representative of the Purchaser and is duly authorized by the Purchaser to execute and deliver this Certificate on behalf of the Purchaser. The Purchaser understands that the representations contained in this Certificate will be relied on by the City and County of San Francisco in making certain of its representations in its Tax Certificate for the Certificates and in completing and filing the Information Return for the Certificates with the Internal Revenue Service, and by Norton Rose Fulbright US LLP and Curlls Bartling P.C., Co-Certificate Counsel to the City and County of San Francisco, in rendering certain legal opinions in connection with the issuance of the Certificates.

Dated: [Sale Date]

(Name of Purchaser)

Executed by: _____

Type Name: _____

Title: _____

SCHEDULE I

CERTIFICATE OF PURCHASER

\$ _____*
CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(1500 MISSION PROJECT)
SERIES 201_

Maturity Dates (____)*	Principal <u>Amount</u> *	Interest <u>Rate</u> †	Offering Price or <u>Yield</u> †
	\$	%	

* Subject to adjustment in accordance with the Official Notice of Sale.

† To be completed by Purchaser.

EXHIBIT C

FORM OF CERTIFICATE OF PURCHASER

CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(1500 MISSION PROJECT)
SERIES 201_

FORM OF ISSUE PRICE CERTIFICATE OF THE PURCHASER

The undersigned, on behalf of [PURCHASER], as the initial purchaser (the “Purchaser”) of the above-captioned certificates of participation (together, the “Certificates”) hereby represents that:

(a) As of _____, 201_ (the “Sale Date”), the Purchaser reasonably expected to offer and sell all of the Certificates to the general public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the yields set forth on the inside front cover of the final Official Statement, dated _____, 201_, with respect to the Certificates (the “Official Statement”).

(b) Such offering yields represent a fair market value for each respective maturity of the Certificates as of the Sale Date.

(c) As of the Sale Date, all of the Certificates were actually offered to the general public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at such yields in a bona fide public offering.

(d) As of the Sale Date, at least 10% of each maturity of the Certificates was first sold at such yields to the general public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) prior to the sale, allocation or allotment of any of the Certificates to any purchasers at yields other than those set forth on the inside front cover of the Official Statement, except for the Certificates maturing in the years _____ (the “Unsold Maturities”). The Purchaser reasonably expected, as of the Sale Date, to sell at least ten percent (10%) of each of the Unsold Maturities to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the yields set forth on the inside front cover of the Official Statement.

(e) I understand that this Certificate shall form a part of the basis for the opinions, dated the date hereof, of Norton Rose Fulbright US LLP and Curls Bartling P.C., Co-Certificate Counsel, to the effect that interest evidenced on the Certificates is excluded from gross income of the recipients thereof for purposes of federal income taxation under

existing laws, regulations, rulings and judicial decisions; provided however, the Purchaser expresses no view regarding the legal sufficiency or the correctness of any legal interpretation made by Co-Certificate Counsel, nothing herein represents the Purchaser's interpretation of any laws, and in particular, regulations under the Code, and the Purchaser expresses no view regarding the legal sufficiency of any representations made herein.

Terms not otherwise defined herein shall have the meanings ascribed thereto in the Certificate as to Tax Exemption, dated _____, 201_, executed by the City and County of San Francisco in connection with the issuance of the Certificates.

IN WITNESS WHEREOF, the undersigned has set their hand as of the date set forth below.

Dated: _____, 201_

[PURCHASER], as Purchaser

By: _____

Name: _____

Title: _____