

OFFICIAL NOTICE OF SALE

[\$[AMOUNT]]*

**CERTIFICATES OF PARTICIPATION
(GEORGE R. MOSCONE CONVENTION CENTER
EXPANSION PROJECT),
SERIES 2017**

**Evidencing Proportionate Interests of the Owners Thereof in a Project Lease,
Including the Right to Receive Base Rental Payments to be Made by the
CITY AND COUNTY OF SAN FRANCISCO**

NOTICE IS HEREBY GIVEN that electronic bids and sealed bids will be received by the City and County of San Francisco (the "City") in the manner described below, in the case of electronic bids, solely through Ipreo LLC's BiDCOMP™/PARITY® System for bid submission ("Parity"), and in the case of sealed bids, at the City Controller's Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102, for the purchase of \$[AMOUNT]* aggregate principal amount of Certificates of Participation (George R. Moscone Convention Center Expansion Project), Series 2017 (the "Certificates") more particularly described hereinafter, on:

[DAY], [DATE], 2017, at 8:30 a.m. (California time)*

(subject to postponement in accordance with this Official Notice of Sale)

See "TERMS OF SALE–Form of Bids; Delivery of Bids" hereinafter for information regarding the terms and conditions under which bids will be received through electronic transmission.

THE RECEIPT OF BIDS ON WEDNESDAY, [DATE], 2017, 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 PARITY, BLOOMBERG PROFESSIONAL SERVICE, KNOWN AS "BLOOMBERG TERMINAL" ("BLOOMBERG") AND/OR THOMSON REUTERS "THOMSON MUNICIPAL NEWS" ("THOMSON") AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION. If the sale is postponed, bids will be received at the place set forth above on any weekday during the period from [DATE], 2017 through [DATE], 2017, as the City may determine. Notice of the new date and time(s) for receipt of bids shall be given through Parity, Bloomberg and/or Thomson as soon as practicable following a postponement and no later than 1:00 p.m. (California time) on the business day preceding the original or 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: [CONTACT INFORMATION FOR FAs TO COME FROM FAs] (collectively, 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; *provided*, that any such modification or amendment will be communicated to potential bidders through Parity, Bloomberg and/or Thomson 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. See “TERMS OF SALE–Right to Modify or Amend.”

Bidders are referred to the Preliminary Official Statement, dated [DATE], 2017, of the City with respect to the Certificates (the “Preliminary Official Statement”) for additional information regarding the City, the Certificates, the security for the Certificates and other matters. [The Preliminary Official Statement will be posted electronically at Ipreo’s iProspectus at www.i-dealprospectus.com.] See, “CLOSING PROCEDURES AND DOCUMENTS – Official Statement.” Capitalized terms used but not otherwise 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 the Parity bid delivery system. In the event the summary of the terms of sale of the Certificates posted by 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

IMPORTANT INFORMATION REGARDING THE CERTIFICATES, INCLUDING THE SECURITY AND SOURCES OF PAYMENT THEREFOR, AND THE CITY IS PRESENTED IN THE PRELIMINARY OFFICIAL STATEMENT WHICH EACH BIDDER MUST REVIEW, AND WILL BE DEEMED TO HAVE 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 CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.

Terms of the Certificates

Interest Rates. The interest evidenced and represented by the Certificates shall be payable on April 1 and October 1 of each year, beginning on [April] 1, 201_ (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 date of delivery of the Certificates, which is expected to be on [DATE], 2017.

Bidders may specify any number of separate rates, and the same rate or rates may be repeated as often as desired; provided, that:

- (i) each interest rate specified in any bid must be a multiple of one-eighth or one-twentieth of one percent (0.125 or 0.05 of 1%) per annum;
- (ii) the maximum interest rate bid for any principal payment date shall not exceed [ten percent] ([10.0]%) 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 principal payment date at the single rate of interest specified in the bid;
- (v) all Certificates the principal of which comes due at any one time shall bear the same rate of interest; and
- (vi) each Certificate the principal of which comes due on or after [April] 1, 202_, must bear interest at a rate of no less than [four] percent ([4]%) per annum and no greater than [five] percent ([5]%) per annum.

Par and Premium Bids; No Net Discount Bids. All bids for the Certificates shall be at a net price of par or more; no net discount bids for the Certificates will be accepted. Bidders may not bid a price for more than [111]% of the aggregate principal component evidenced by the Certificates. Individual payment dates of the Certificates may be reoffered at par, a premium or a discount.

Principal Payments. The Certificates shall be serial and/or term Certificates, as specified by each bidder, and principal shall be payable on [April] 1 of each year, beginning on [April] 1, 202_ as shown below; provided that no term Certificate shall require sinking fund payments prior to [April] 1, 202_. For any term certificates 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 sinking account installment prepayment to the term certificate principal payment date. The final payment date for the Certificates shall be [April] 1, 203_. Subject to adjustment as herein provided, the aggregate principal amount of the serial principal payment date or sinking account installment prepayment for the Certificates in each year is as follows:

Certificate
Payment Date
([April] 1)*

Principal Amount*

\$

Total

\$(AMOUNT)

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 [and premiums] of the successful 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 on 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 underwriter's discount, and will be communicated to the successful bidder within twenty-four (24) hours after the scheduled receipt of such bids. 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. THE BIDDER AWARDED THE CERTIFICATES BY THE CITY (THE "PURCHASER") 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**

* Preliminary, subject to change. Principal payment schedule may be adjusted prior to pricing. Certificate Payment Dates for the Certificates are subject to the creation of term certificates by the bidder, as set forth in herein.

OF ANY CHANGES MADE TO THE PRINCIPAL PAYMENTS WITH RESPECT TO THE CERTIFICATES IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE.

Prepayment. (a) *Optional Prepayment.* The principal component evidenced by the Certificates with a Certificate Payment Date on or after [April] 1, 202_, is subject to optional prepayment prior to the respective Certificate Payment Dates in whole or in part on any date on or after [April] 1, 202_, at the option of the City, in the event the City exercises its option under the Project Lease 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.

(b) *Special Mandatory Prepayment.* The principal component of the Base Rental payments evidenced by the Certificates is subject to special mandatory prepayment prior to the respective Certificate Payment Dates in whole or in part on any date, at the Prepayment Price (plus accrued interest to the prepayment date), without premium, from any amounts deposited in the Base Rental Fund pursuant to the Trust Agreement 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.

(c) *Mandatory Sinking Account Installment Prepayment.* The principal component of the Base Rental payments evidenced by the Certificates is further subject to prepayment prior to the respective stated Certificate Payment Dates on April 1 of each year for which a sinking account installment prepayment is specified by the bidder, by lot in the principal component to be prepaid plus accrued interest to the prepayment date, without premium, but only in amounts equal to, and in accordance with, the scheduled prepaid components of the Base Rental evidenced by the Certificates to be prepaid.

Legal Opinion and Tax Matters. Upon delivery of the Certificates, Special Counsel, Orrick, Herrington & Sutcliffe LLP, will deliver an approving opinion concerning interest with respect to the Certificates. See “TAX MATTERS” in the Preliminary Official Statement. A complete copy of the proposed form of opinion of Special Counsel is set forth in Appendix [F] to the Preliminary Official Statement. See “TAX MATTERS” in the Preliminary Official Statement.

Tax-Exempt Status: In the opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Special Counsel, based upon an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest evidenced by the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from State of California personal income taxes. Interest evidenced by the Certificates is not a specific preference item for purposes of federal individual and corporate alternative minimum taxes, although Special Counsel observes that interest evidenced by the Certificates is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Special Counsel express no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest evidenced by, the Certificates. See “TAX MATTERS” in the Preliminary Official Statement.

In the event that prior to the delivery of the Certificates the income received by any private holder from obligations of the same type and character as the Certificates shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax law, either by the terms of such law or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, the successful bidder

may, at its option, prior to the tender of the Certificates by the City, be relieved of its obligation to purchase the Certificates and in such case the Good Faith Deposit accompanying its bid will be returned. For purposes of the preceding sentence, interest will be treated as excluded from gross income for federal income tax purposes whether or not it is includable as an item of tax preference for calculating alternative minimum taxes or is otherwise includable for the purpose of calculating certain other tax liabilities.

TERMS OF SALE

Form of Bids; Delivery of Bids. Each bid for the Certificates must be: (1) for not less than all of the principal component of the Certificates hereby offered for sale, (2) unconditional, and (3) either (i) submitted on the Official Bid Form attached hereto as Exhibit A and signed by the bidder, or (ii) submitted via Parity, along with a facsimile transmission by the successful bidder, after the verbal award, of the completed and signed 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 with 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 Certificates," or words of similar import, as hereinafter described and received by 8:30 a.m. California time at the offices of the City and County of San Francisco Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102; phone: (415) 554-5956. No bid submitted to the City is 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 shall be rejected. No bid submitted to the City is 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 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 times for receiving bids that its bid is incomplete, illegible or nonconforming with this Official Notice of Sale or has not been received. Although faxed confirmation is acceptable, no faxed-bids will be accepted.

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 Parity, phone: (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 Special 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, Bloomberg and/or Thomson, 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 principal payment date 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 successful bidder and the City unless that information is included in this Official Notice of Sale or the Official Bid Form.

Process of Award. The City will take final action awarding the Certificates or rejecting all bids not later than thirty (30) hours after the time for receipt of bids, unless such time period is waived by the successful bidder.

The following six (6) steps constitute the City's process for a final award of the Certificates:

(1) The Co-Financial Advisors, on behalf of the City, will give a verbal notice of award to the apparent successful bidder (the "Apparent Successful Bidder") to be determined as described below under "--Basis of Award;"

(2) The Apparent Successful Bidder for the Certificates shall provide within the time specified by the City the Reoffering Price Certificate described under "--Reoffering Prices and Certificate;"

(3) If the Apparent Successful Bidder submitted its bid via Parity, such Apparent Successful Bidder shall, promptly after verbal award, but no later than one hour after the City has given notice of such verbal award, fax or email to the City (in c/o its Co-Financial Advisors and to the City's Director of Public Finance at the fax and/or email addresses provided for such purpose) the executed and completed Official Bid Form (attached hereto as Exhibit A), executed on the Apparent Successful Bidder's behalf by duly authorized signatory;

(4) The Apparent Successful Bidder shall provide the Good Faith Deposit, as described under “–Good Faith Deposit;”

(5) The Co-Financial Advisors will fax or email to the Apparent Successful Bidder confirmation of the final principal amortization schedule and purchase price for the Certificates, after adjustments, if any, are made, as described under “TERMS RELATING TO THE CERTIFICATES–Adjustment of Principal Payments;” and

(6) The City will fax or email to the Apparent Successful Bidder its written final award.

Upon completion of the steps described above, the Apparent Successful Bidder will be deemed the Purchaser of the Certificates (the “Purchaser”) and will be contractually bound by the terms of this Notice of Sale to purchase the Certificates, which contract shall consist of: (a) this Official Notice of Sale; (b) the information that is transmitted electronically by the bidder through Parity or provided in the bidder’s written sealed bid, as applicable; (c) any adjustments to the final principal amortization schedule and purchase price made as described under “TERMS RELATED TO THE BONDS–Adjustment of Principal Payment;” and (d) the Official Bid Form executed and delivered, provided, however, in case of any inconsistencies between the information in the bid as originally transmitted by the Apparent Successful Bidder (either electronically or in the form of a written sealed bid) and the Official Bid Form subsequently submitted by such Apparent Successful Bidder, the data submitted electronically through Parity (or the written sealed bid, as applicable) shall control.

Basis of Award. The City reserves the right to reject all the bids or postpone the bids for any reason. 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 (“TIC”) to the City. The TIC will be that nominal interest rate which, 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 bid. For the purpose of calculating the TIC, mandatory sinking fund payments for any Term Certificates specified by each bidder will be treated as Certificates the principal of which comes due on the dates of such mandatory sinking fund payments. In the event that two or more bidders offer bids for the Certificates at the same lowest TIC, 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 TIC. Each bidder is requested, but not required, to supply an estimate of the TIC 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 are received from a single bidder for the Certificates by any means or combination thereof, the City shall accept the bid representing the lowest TIC to the City, and each bidder agrees by submitting any bid to be bound by the bid representing the lowest TIC to the City.

Good Faith Deposit. A good faith deposit (a “Good Faith Deposit”) satisfying the requirements set forth below is required for each bid. The amount of the Good Faith Deposit for the Certificates is \$[AMOUNT].

Upon the determination by the City of the Apparent Successful Bidder of the Certificates, the Co-Financial Advisors will (i) provide to the Apparent Successful Bidder of the Certificates the City's wire transfer information, and (ii) request the Apparent Successful 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 Successful Bidder to wire the Good Faith Deposit to the City, the Apparent Successful 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 Successful 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 Successful Bidder and award the Certificates to a responsible bidder that submitted a conforming bid that represents the next lowest TIC to the City.

No interest will be paid upon the Good Faith Deposit made by the Purchaser. 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 by the Purchaser upon tender of the Certificates by the City, the City shall retain the Good Faith Deposit as and for liquidated damages for such failure by the Purchaser, 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. Retaining the Good Faith Deposit shall constitute the City's sole and exclusive remedy and full liquidated damages for the Purchaser's failure to purchase and accept delivery of the Certificates pursuant to the terms of this Official Notice of Sale, and the Purchaser shall be released and discharged from any and all claims for damages by the City against the Purchaser related to such failure. By submitting its bid, the Purchaser acknowledges and agrees with the City that the amount fixed hereby for liquidated damages does not constitute a penalty and is a reasonable estimate of the damages that the City would sustain in the event of the Purchaser's failure to purchase and to accept delivery of the Certificates pursuant hereto. The amount is fixed as liquidated damages because of the difficulty of ascertaining as of the date hereof the actual amount of damages that would be sustained in such event.

Reoffering Prices and Certificate. The successful bidder for 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 the initial offering prices at which it has offered all of such Certificates of each principal payment date 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. Prior to delivery of the Certificates, the successful bidder shall provide a reoffering price certificate, substantially in the form attached hereto as Exhibit B, to the City and Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, CA, 94105; Attention: William M. Doyle, e-mail: bdoyle@orrick.com. In addition, at the request of Special Counsel, the successful bidder will provide additional information regarding issue price of the Certificates. 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.

Right of Rejection and Waiver of Irregularity. The City reserves the right, in its sole and absolute discretion (a) to reject any bid for any reason; (b) to reject all bids for any reason; or (c) to waive any irregularity or informality in any bid which does not materially affect such bid or change the ranking of the bids for the Certificates.

Right to Modify or Amend. The City reserves the right to modify or amend this Official Notice of Sale in any respect; provided, that any such modification or amendment will be communicated to potential bidders through Parity, Bloomberg and/or Thomson 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, Bloomberg and/or Thomson as soon as practicable following such postponement or cancellation. If the sale is postponed, notice of a new sale date and time will be given through Parity, Bloomberg and/or Thomson not later than 1:00 p.m. (California time) on the business day preceding the new date that bids are to be received. 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 not later than thirty (30) hours after the time for receipt of bids of 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 facilities of The Depository Trust Company ("DTC") in New York, New York, and is presently expected to take place on or about [DATE], 2017.** Payment for the Certificates (including any premium) must be made at the time of delivery in immediately available funds to the Treasurer of the City. 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 opinion described in APPENDIX F – "PROPOSED FORM OF OPINION OF SPECIAL COUNSEL" to the 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 such 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 such 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 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 is pending with service of process having been accomplished, or, to the knowledge of the officer of the City executing such certificate, threatened, concerning the sale, execution or delivery of the Certificates, the validity of the Certificates, the corporate existence of the City, or the title to their respective offices of the officers of the City who will execute the Certificates or concerning the validity of the Project Lease, Property Lease or the Trust Agreement.

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 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 to accept delivery of and pay for the Certificates in accordance with the terms of this contract. The Purchaser, at its sole cost, will obtain separate CUSIP numbers for each principal payment date of the Certificates. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP numbers will be provided for convenience of reference only. The City will take no responsibility for the accuracy of such numbers.

California Debt and Investment Advisory Commission Fee. Pursuant to Section 8856 of the California Government Code, the Purchaser must pay to the California Debt and Investment Advisory Commission within 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. In accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (“Rule 15c2-12”), the City deems such Preliminary Official Statement final as of its date, except for the omission of certain information permitted by Rule 15c2-12. The contact information for the Co-Financial Advisors is set forth on the first page of this Official Notice of Sale. Within seven business days after the date of award of the Certificates, the Purchaser 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 must notify the City in writing within two (2) days of the sale of the Certificates if the Purchaser requires additional copies of the 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 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 a nationally recognized municipal securities information repository, as defined in Rule 15c2-12,

and (3) to take any and all other actions necessary to comply with applicable SEC 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 to each investor who purchases such Certificates.

The form and content of the final Official Statement are within the sole discretion of the City. The Purchaser's name will not appear on the cover of the Official Statement.

Certification by the City 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, to the best of the knowledge of such authorized representative, the Official Statement (except for information regarding DTC and its book-entry system and reoffering information, as to which no view will be expressed), as of the date of sale of the Certificates and as of the date of delivery thereof, did not and does not 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.

Purchaser's Certification Concerning Official Statement. As a condition of delivery of the Certificates, the Purchaser will be required to execute and deliver to the City, prior to the delivery date of the Certificates, a certification to the following effect:

(i) Such successful bidder, as the initial Purchaser of the Certificates, has provided to the City the initial reoffering prices or yields of Certificates as printed in the Official Statement, and the Purchaser has made a *bona fide* offering of each principal payment date of such Certificates to the public at the prices and yields so shown or has purchased the principal payment date of such Certificates for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary at the prices and yields so shown.

(ii) While 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.

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.

Dated: [DATE], 2017

BID TIME: 8:30 a.m. (California time)

[DATE], 2017

OFFICIAL BID FORM FOR THE PURCHASE OF
\$[AMOUNT]*
CERTIFICATES OF PARTICIPATION
(GEORGE R. MOSCONE CONVENTION CENTER
EXPANSION PROJECT),
SERIES 2017

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 [DATE], 2017, which is incorporated herein and made a part of this proposal, we have reviewed the Preliminary Official Statement relating to the above-referenced Certificates (the "Certificates") and hereby offer to purchase all of the \$[AMOUNT]* aggregate principal component of the Base Rental payments evidenced by the Certificates dated the date of the delivery on the following terms, including the submission of the required Good Faith Deposit in the amount of \$[AMOUNT] by wire transfer; and to pay therefor the price of \$_____, which is equal to the aggregate principal component of the Base Rental payments evidenced by the Certificates plus/less a net premium/discount of \$_____ (such amount being the "Purchase Price"). The principal component of the Base Rental payments evidenced by the Certificates shall be payable and will be subject to mandatory sinking fund prepayment commencing no earlier than April 1, 202_ (if term certificates are specified below) in the amounts and years, and shall evidence interest at the rates per annum (in multiples of 1/8th or 1/20th of 1%; and not less than [4]% and not to exceed [5]% for 202_ through 20__), as set forth in the schedule below.

(Check one)

Table with 5 columns: Certificate Payment Date (April 1)*, Principal Payment*, Serial Payment, Mandatory Sinking Fund Prepayment (1), Interest Rate

Total \$[AMOUNT]

* Subject to adjustment in accordance with the Official Notice of Sale.
(1) Circle the final payment date of the principal component evidenced by each term Certificate specified. No term Certificate shall require mandatory sinking fund prepayments prior to April 1, 202_.

Authorized Signatory
Title:
Phone Number:
Fax Number:

TTC (optional and not binding):

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.

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

REOFFERING PRICE CERTIFICATE

(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED UNDER “REOFFERING PRICE CERTIFICATE” IN THE OFFICIAL NOTICE OF SALE)

This certificate is being delivered by _____, the purchaser (the “Purchaser”) in connection with the issuance of the City and County of San Francisco Certificates of Participation (George R. Moscone Convention Center Expansion Project), Series 2017(the “Certificates”). The Purchaser hereby certifies and represents that:

A. Issue Price.

1. On the date of the Certificates’ award (the “Sale Date”), all Certificates of all principal payment dates have been the subject of an initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) 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 A attached hereto.

2. The aggregate of the offering prices is \$_____.

3. On the Sale Date, to the best of our knowledge based on our records, the first price or yield at which at least ten percent (10%) of each principal payment date of the Certificates [*if less than ten percent of some principal payment dates of the Certificates has been sold to the public, add:* _____], except the Certificates the principal of which comes due in the year[s] [_____],] was sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) was not greater than the respective price, or was not lower than the respective yield, shown in the Official Statement. [Less than ten percent of the Certificates the principal of which comes due in the year[s] [_____] were sold to the public following a bona fide public offering at the prices or yields shown in the Official Statement.]

4. On the sale date, 100% of the Certificates of each principal payment date were actually offered to the general public in a bona fide public offering for the offering prices set forth in Schedule A, and the Purchaser did not hold back any portion of any principal payment date of the Certificates for itself or any of its affiliates for the purpose of selling the same at a price in excess of the prices set forth for such principal payment date of the Certificates in Schedule A.

3. On the Sale Date, based on our assessment of the then prevailing market conditions, we had no reason to believe that any of the Certificates would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices, or yields lower than the yields, shown in the Official Statement.

4. The prices and yields of the Certificates, principal payment date-by-principal payment date, shown in the Official Statement, represented our best judgment of the fair market value of the Certificates.

B. Compensation.

All compensation received for underwriting services (which includes certain expenses) in connection with the sale and delivery of the Certificates is being paid on the date hereof 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.

We understand that the representations contained herein will be relied upon by the City and County of San Francisco in connection with the execution and delivery of the Certificates in making certain of the representations contained in the Tax Certificate, and we further understand that Special Counsel to the issuer may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of the portion of each payment due under the Project Lease designated as and comprising interest with respect to the Certificates, pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Tax Certificate relating to the Certificates to which this certificate is attached as an exhibit.

Dated: [DATE], 2017

By: _____
Name: _____
Title: _____

