

**OFFICIAL NOTICE OF SALE**  
**and**  
**OFFICIAL BID FORM**

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**CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION**  
**REFUNDING LEASE REVENUE BONDS, SERIES 2018[B]**  
**(BRANCH LIBRARY IMPROVEMENT PROGRAM)**

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

SALE DATE: \_\_\_\_\_, 2018

(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  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 336,  
San Francisco, California 94102

DELIVERY DATE: \_\_\_\_\_, 2018\*

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 at www.newissuehome.i-deal.com and the Parity electronic bid submission system (“**Parity**”), and in the case of sealed bids, at the Controller’s Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102, by the City and County of San Francisco Finance Corporation (the “**Issuer**”) for the purchase of \$\_\_\_\_\_ aggregate principal amount of City and County of San Francisco Finance Corporation Refunding Lease Revenue Bonds, Series 2018[B] (Branch Library Improvement Program) (the “**Bonds**”). Bidding procedures and sale terms are as follows:

**Issue:** The Bonds are described in the Issuer’s Preliminary Official Statement for the Bonds dated \_\_\_\_\_, 2018 (the “**Preliminary Official Statement**”).

**Time:** Bids for the Bonds must be received by the Issuer by 8:30 a.m., California time, on \_\_\_\_\_, 2018.

**Place:** Sealed, hand-delivered bids for the Bonds must be delivered to City and County of San Francisco, 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 \_\_\_\_\_, 2018, 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 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 Issuer’s Municipal Advisors: (i) Kitahata & Company, 137 Joost Avenue, San Francisco, California 94131; telephone (415) 337-1950, Attention: Gary Kitahata (email: gkitahata@gmail.com); or (ii) Backstrom McCarley Berry & Co., LLC, 115 Sansome St., Mez. A, San Francisco, CA 94104; telephone 415-857-6101, Attention: Vincent McCarley; (email: VMcCarley@bmcaco.com) (the “Co-Municipal 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 Issuer reserves the right to modify or amend this Official Notice of Sale in any respect, including, without limitation, increasing or decreasing the principal amounts; provided, that any such modification or amendment will be communicated to potential bidders through the News Services and/or 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 Bonds 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 Issuer, the City and County of San Francisco (the “City”), the Bonds, the security for the Bonds 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 Bonds 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 BONDS**

**THE AUTHORITY FOR ISSUANCE, PURPOSES, PAYMENT OF PRINCIPAL AND INTEREST, REDEMPTION, DEFEASANCE, SOURCES AND USES OF FUNDS, SECURITY AND SOURCES OF PAYMENT, FORM OF LEGAL OPINIONS OF CO-BOND COUNSEL AND OTHER INFORMATION REGARDING THE BONDS ARE PRESENTED IN THE PRELIMINARY OFFICIAL STATEMENT, WHICH EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED PRIOR TO BIDDING FOR THE BONDS. THIS OFFICIAL NOTICE OF SALE GOVERNS ONLY THE TERMS OF SALE, BIDDING, AWARD AND CLOSING PROCEDURES FOR THE BONDS. THE DESCRIPTION OF THE BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION OF THE BONDS CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.**

Issue. The Bonds will be issued as fully registered bonds without coupons 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 \_\_\_\_\_, **2018**\*. 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 Bonds.

Book-Entry Only. The Bonds 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 Bonds. Individual purchases will be made in book-entry form only, and the Purchaser will not receive certificates representing its interest in the Bonds purchased. As of the date of award

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\* Preliminary; subject to change.

of the Bonds, 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 Bonds will be payable on [July 1, 2018], and semiannually thereafter on January 1 and July 1 of each year (each an “**Interest Payment Date**”). Interest shall be calculated on the basis of a 30-day month, 360-day year from the dated date of the Bonds. 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 Bonds 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 10% per annum;
- (iii) no Bond shall bear a zero rate of interest;
- (iv) each Bond 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 Bonds maturing at any one time shall bear the same rate of interest.]

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

Par and Premium Bids; No Net Discount Bids. All bids for the Bonds shall be for par or more, but shall not exceed [107.5]% of the par amount. No net discount bids for the Bonds will be accepted. Individual maturities of the Bonds may be reoffered at par, a premium or a discount.

Principal Payments. The Bonds shall be serial and/or term Bonds, as specified by each bidder, and principal shall be payable on [July 1] of each year, commencing on [July 1, 2018] as shown below. Subject to the Issuer’s right to modify or amend this Notice of Sale (see “TERMS OF SALE—Right to Modify or Amend”), the final maturity of the Bonds shall be [July 1, 20\_\_]. The principal amount of the Bonds maturing or subject to mandatory sinking fund redemption in any year shall be in integral multiples of \$5,000. For any term Bonds specified, the principal amount for a given year may be allocated only to a single term Bond and must be part of an uninterrupted annual sequence from the first mandatory sinking fund payment to the term Bond maturity. The aggregate amount of the principal amount of the serial maturity or mandatory sinking fund payment for the Bonds is shown below for information purposes only. **Bidders for the Bonds will provide bids for all of the Bonds Principal Amounts.** Subject to the Issuer’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 mandatory sinking fund payment for each series of Bonds in each year is as follows:

**Principal  
Payment Date**

**Principal Amount\***

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Total

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Adjustment of Principal Payments. The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the Issuer with respect to the likely interest rates of the winning bid and the premium contained in the winning bid. **The Issuer 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 Bonds, in increments of \$5,000, as determined in the sole discretion of the Issuer. Any such adjustment will not change the average per Bond dollar amount of the underwriter’s discount. If there is 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 Issuer’s 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 fund payment for the Bonds and adding or deleting serial or term maturity and mandatory sinking fund payment dates, along with corresponding principal amounts with respect thereto.

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\* Preliminary, subject to change.

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

Redemption.

(i) Optional Redemption of the Bonds. The Bonds maturing on or before [July 1, 20\_\_] will not be subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after [July 1, 20\_\_] will be subject to optional redemption prior to their respective stated maturity dates, at the option of the Issuer, from any source of available funds, as a whole or in part on any date (with the maturities to be redeemed to be determined by the Issuer and by lot within a maturity), on or after [July 1, 20\_\_], at the redemption price equal to the principal amount of the Bonds redeemed, together with accrued interest to the date fixed for redemption, without premium. See the Preliminary Official Statement – “THE BONDS—Redemption—Optional Redemption of the Bonds.”

(ii) Mandatory Redemption. The Bonds will not be subject to redemption prior to their respective stated maturity dates from mandatory sinking fund payments prior to [July 1, 20\_\_]. Term Bonds, if any, are subject to redemption prior to their respective stated maturity dates, in part, by lot from mandatory sinking fund payments, on each [July 1] on or after [July 1, 20\_\_], designated by the successful bidder as a date upon which a mandatory sinking fund payment is to be made, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium. No term Bonds may be redeemed from mandatory sinking fund payments until all term Bonds maturing on preceding term maturity dates, if any, have been retired. See the Preliminary Official Statement – “THE BONDS—Redemption—Mandatory Redemption.”

Legal Opinions and Tax Matters. Upon delivery of the Bonds, Squire Patton Boggs (US) LLP and Amira Jackmon, Attorney at Law, Co-Bond Counsel to the Issuer (“**Co-Bond Counsel**”), will deliver their legal opinions that, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes, subject to the matters described in “TAX MATTERS” in the Preliminary Official Statement; and (ii) interest on the Bonds is exempt from present State of California personal income taxes.

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

See the Preliminary Official Statement – “TAX MATTERS.”

## TERMS OF SALE

**Par and Premium Bids; No Net Discount Bids. All bids for the Bonds shall be for par or more, but shall not exceed [107.5]% of the par amount. No net discount bids for the Bonds will be accepted. Individual maturities of the Bonds may be reoffered at par, a premium or a discount.**

**Form of Bids; Delivery of Bids.** Each bid for the Bonds must be: (1) for not less than all of the Bonds 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 Issuer 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 Issuer at the address set forth on the cover and clearly marked “Bid for the City and County of San Francisco Finance Corporation Refunding Lease Revenue Bonds, Series 2018[B] (Branch Library Improvement Program)” or words of similar import, as hereinafter described and received by [\_:\_\_ a.m., California time, on \_\_\_\_\_ \_\_, 2018], at the City and County of San Francisco, Office of Public Finance, c/o Anna Van Degna, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102; telephone: (415) 554-5956. No bid submitted to the Issuer 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 Bonds is canceled or postponed, all bids for the Bonds shall be rejected. No bid submitted to the Issuer shall be subject to withdrawal or modification by the bidder. No bid will be accepted after the time for receiving bids. The Issuer 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 Issuer 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-Municipal Advisors at the numbers provided above or Parity at: (212) 404-8107.

**Warnings Regarding Electronic Bids. Bids for the Bonds may be submitted electronically via Parity. The Issuer will attempt to accommodate bids submitted electronically via Parity. However, the Issuer does not endorse or encourage the use of such electronic bidding service. None of the Issuer, Issuer’s Counsel, the City, the City Attorney, the Co-Municipal Advisors or Co-Bond 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 Issuer at the place of bid opening, and the Issuer will not be required to accept the time kept by Parity.

If a bidder submits an electronic bid for the Bonds 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 Bonds 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 Issuer will not have any duty or obligation to provide or assure access to Parity to any bidder, and the Issuer 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 Issuer is permitting use of Parity as a communication mechanism, and not as an agent of the Issuer, to facilitate the submission of electronic bids for the Bonds; Parity is acting as an independent contractor, and is not acting for or on behalf of the Issuer; (5) the Issuer is not responsible for ensuring or verifying bidder compliance with any procedures established by Parity; (6) the Issuer may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for the Bonds or the interest rates for any maturity of the Bonds) 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 Issuer, 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 Issuer 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 Bonds will be awarded to the responsible bidder who submits a conforming bid that represents the lowest true interest cost to the Issuer. 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 Bonds to the dated date of the Bonds, results in an amount equal to the principal amount of the Bonds plus the amount of any net premium. For the purpose of calculating the true interest cost, mandatory sinking fund payments for any term Bonds specified by a bidder will be treated as Bonds maturing on the dates of such mandatory sinking fund payments. If two or more bidders offer bids for the Bonds at the same true interest cost, the Issuer will determine by lot which bidder will be awarded the Bonds. Bid evaluations or rankings made by Parity are not binding on the Issuer.

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 Issuer.



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

Good Faith Deposit. To secure the Issuer 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 Issuer by the apparent winning bidder.

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

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 Issuer. The Good Faith Deposit will be held and invested for the exclusive benefit of the Issuer. The Good Faith Deposit, without interest thereon, will be credited against the purchase price of the Bonds purchased by the Purchaser at the time of delivery thereof.

If the purchase price is not paid in full upon tender of the Bonds, the Issuer shall retain the Good Faith Deposit and the Purchaser will have no right in or to the Bonds 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 Bonds 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 Bonds by a successful bidder, the Issuer reserves any and all rights granted by law to recover the full purchase price of the Bonds and, in addition, any damages suffered by the Issuer.

Reoffering Prices, Establishment of Issue Price and Certificate.

(a) The winning bidder for the Bonds shall assist the Issuer in establishing the issue price of such Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or, if the competitive sale requirements (defined below) are not satisfied and the parties agree that the 10% test shall apply to the Bonds the sales price or prices of each maturity of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached

hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of each winning bidder, the Issuer and Co-Bond Counsel.

(b) The Issuer intends that Treasury Regulation Sections 1.148-1(f)(3)(i) and 1.148-1(f)(2)(iii) (providing a special rule for competitive sales and defining the term “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of each Bonds (the “**competitive sale requirements**”) because:

- (1) the Issuer shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer may receive bids for each Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of each Bonds to the bidder who submits a firm offer to purchase such Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied for the Bonds, the Issuer shall so advise the winning bidder. The Issuer may determine to treat (i) the first price at which 10% of any maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “**hold-the-offering-price rule**”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Issuer shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue prices of the Bonds. For purposes of this section, Bonds maturing on the same date but having different interest rates (and CUSIP numbers) shall be treated as separate maturities of the Bonds.

(d) By submitting a bid for the Bonds, the winning bidder shall (i) confirm that the underwriters have offered or will offer such Bonds to the public on or before the date of award at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price

that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

(f) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of such Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of such Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(g) By submitting a bid for the Bonds, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of such Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to such Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of such Bonds to the public, together with

the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to such Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

Electronic Bids; Delivery of Form of Bids. If the Issuer 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 Bonds.

Right of Rejection and Waiver of Irregularity. The Issuer 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 Issuer's right to adjust the payment amounts of the Bonds as provided in "TERMS RELATING TO THE BONDS - Adjustment of Principal Payments" the Issuer 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 fund payment for the Bonds and adding or deleting serial or term maturity and mandatory sinking fund payment 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 BONDS - Adjustment of Principal Payments") any such modification or amendment will be communicated to potential bidders through Parity and/or 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 Issuer may postpone or cancel the sale of the Bonds 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 Issuer will take official action awarding the Bonds or rejecting all bids with respect to the Bonds not later than 30 hours after the time for receipt of bids for the Bonds, 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 Issuer 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 Bonds will be made through the facilities of DTC in New York, New York, and is presently expected to take place on or about \_\_\_\_\_, 2018\*.** Payment for the Bonds (including any premium) must be made at the time of delivery in immediately available funds to the U.S. Bank National Association, as trustee for the Bonds (the "Trustee"). Any expense for making payment in immediately available funds shall be borne

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\* Preliminary; subject to change.

by the Purchaser. The Issuer will deliver to the Purchaser, dated as of the delivery date, the legal opinions with respect to the Bonds described in APPENDIX F – “PROPOSED FORM OF OPINION OF CO-BOND COUNSEL” to the Preliminary Official Statement.

Qualification for Sale. The Issuer will furnish such information and take such action not inconsistent with law as the Purchaser may request and the Issuer may deem necessary or appropriate to qualify the Bonds 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 Issuer 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 Bonds, the Purchaser assumes all responsibility for qualifying the Bonds 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 Bonds, including the payment of fees for such qualification. Under no circumstances may the Bonds be sold or offered for sale or any solicitation of an offer to buy the Bonds 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 Issuer will deliver a certificate stating that no litigation of any nature is pending, or to the knowledge of the officer of the Issuer executing such certificate, threatened, restraining or enjoining the sale, issuance or delivery of the Bonds or any part thereof, or the entering into or performance of any obligation of the Issuer, or concerning the validity of the Bonds, the corporate existence of the Issuer, or the entitlement of any officers of the Issuer who will execute the Bonds to their respective offices.

Right of Cancellation. The Purchaser will have the right, at its option, to cancel this contract if the Issuer fails to execute the Bonds 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 Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Purchaser of the Bonds to accept delivery of and pay for such Bonds in accordance with the terms of this contract. The Purchaser, at its sole cost, will obtain separate CUSIP numbers for each maturity of the Bonds. 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 Issuer takes no responsibility for the accuracy of such CUSIP numbers. CUSIP numbers are provided only for the convenience of the Purchaser of the Bonds.

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 Bonds purchased.

Official Statement. Copies of the Preliminary Official Statement with respect to the Bonds will be furnished or electronically transmitted to any potential bidder upon request to the Office of Public Finance or to either of the Co-Municipal Advisors. (The contact information for the Co-Municipal Advisors is 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 Issuer 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 Bonds, the Purchaser of the Bonds 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 Bonds. The Purchaser of the Bonds must notify the Issuer in writing within two (2) days of the sale of the Bonds 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 Bonds, the Purchaser of the Bonds 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 Bonds to the Purchaser, including, without limitation, the delivery of a final Official Statement, including any supplements, to each investor who purchases Bonds.

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

Certificate Regarding Official Statement. At the time of delivery of the Bonds, the Purchaser will receive a certificate, signed by an authorized representative of the Issuer, 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 Issuer that would make it unreasonable for such Purchaser of the Bonds to rely upon the final Official Statement in connection with the resale of the Bonds, and (iii) the Issuer authorizes the Purchaser of the Bonds to distribute copies of the final Official Statement in connection with the resale of the Bonds.

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

- (i) The Purchaser has provided to the Issuer the initial reoffering prices or yields on the Bonds as printed in the final Official Statement, and the Purchaser has made a bona fide offering of the Bonds 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 Issuer 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. To assist bidders in complying with Rule 15c2-12, the [City/Issuer] 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/Issuer] 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 Issuer.

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 Bonds to persons outside the United States.

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

Dated: \_\_\_\_\_, 2018.



**EXHIBIT A**

BID TIME: \_\_:\_\_ a.m. (California time)

\_\_\_\_\_, 2018

**OFFICIAL BID FORM FOR THE PURCHASE OF**

**\$\_\_\_\_\_\***  
**CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION**  
**REFUNDING LEASE REVENUE BONDS, SERIES 2018[B]**  
**(BRANCH LIBRARY IMPROVEMENT PROGRAM)**

BIDDING FIRM'S NAME:

City and County of San Francisco Finance Corporation  
 City and County of San Francisco Office of Public Finance  
 1 Dr. Carlton B. Goodlett Place, Room 336  
 San Francisco, California 94102  
 Confirm Number: (415) 554-4862; Fax Number: (415) 554-4864

\_\_\_\_\_

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated \_\_\_\_\_, 2018, 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 Bonds (the "Bonds") and hereby offer to purchase all of the Bonds 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 Bonds, plus a net original issue premium of \$\_\_\_\_\_. The Bonds shall mature and be subject to mandatory sinking fund redemption (if term bonds 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.

**Maturity Schedule\***

(Check one)<sup>(1)</sup>

Principal Payment Date	Principal Payment <sup>†</sup>	Serial Maturity	Mandatory Sinking Fund Redemption	Interest Rate
		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	
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		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	
		_____	_____	

<sup>†</sup> Subject to adjustment in accordance with the Official Notice of Sale.  
<sup>(1)</sup> Circle the final maturity of each term bond specified.

\_\_\_\_\_  
 Authorized Signatory  
 Title: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Fax Number: \_\_\_\_\_

True Interest Cost (optional and not binding): \_\_\_\_\_

\* Preliminary, subject to change.

**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 Issuer 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 fund by payment for the Bonds and adding or deleting serial or term maturity and mandatory sinking fund and payment dates, along with corresponding principal amounts with respect thereto as provided in “TERMS RELATING TO THE BONDS—Adjustment of Principal Payments” and “TERMS OF SALE—Right to Modify or Amend” in the Official Notice of Sale.

**EXHIBIT B**

**[FORM OF ISSUE PRICE CERTIFICATE]**

**UNDERWRITER'S CERTIFICATE**

\$ \_\_\_\_\_ \*

**City and County of San Francisco Finance Corporation  
Refunding Lease Revenue Bonds, Series 2018[B]  
(Branch Library Improvement Program)**

**Dated [Closing Date]**

\_\_\_\_\_ (the "Initial Purchaser"), as underwriter for the bonds identified above (the "Issue"), issued by the City and County of San Francisco Finance Corporation (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

**[If the competitive sale meets the definition in Regulations § 1.148-1(f)(3) by attracting at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and as reflected in the representations below):**

**(1) Issue Price.**

(A) As of the Sale Date, the reasonably expected initial offering prices of the Issue to the Public by the Initial Purchaser are the prices listed in the final Official Statement, dated [\_\_\_\_], for the Issue (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Issue used by the Initial Purchaser in formulating its bid to purchase the Issue. Attached as Schedule A is a true and correct copy of the bid provided by the Initial Purchaser to purchase the Issue.

(B) The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(C) The bid submitted by the Initial Purchaser constituted a firm offer to purchase the Issue.

(D) The aggregate of the Expected Offering Prices of each Maturity is \$\_\_\_\_\_ (the "Issue Price").]

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\* Preliminary, subject to change.

**[If the competitive sale fails to attract at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):**

(1) **Issue Price.**

(A) The Initial Purchaser offered, on or before the Sale Date, each Maturity of the Issue to the Public for purchase at the respective initial offering prices listed in the final Official Statement, dated [\_\_\_\_], for the Issue (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Issue is attached to this certificate as Schedule A. The aggregate of the Initial Offering Prices of each Maturity is \$[\_\_\_\_\_] (the “Issue Price”).

(B) As set forth in the Notice of Sale and bid award, the Initial Purchaser has agreed in writing that, (i) for each Maturity of the Issue, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Issue at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.]

(C) **Definitions.**

“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Issue, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Initial Purchaser has sold at least 10% of such Maturity of the Issue to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is [DATE].

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale

of the Issue to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Issue to the Public).

All capitalized terms not defined in this Certificate have the meaning set forth in the Issuer's Tax Compliance Certificate or in Attachment A to it.

(2) **Yield.** The Yield on the Issue is \_\_\_\_\_%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price of the Issue as stated in paragraph (1) [and computed with the adjustments stated in paragraphs (5) and (6)].

(3) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is \_\_\_\_\_ years, and the remaining weighted average maturity of the Current Refunded Bonds is \_\_\_\_ years. The weighted average maturity of an issue is equal to the sum of the products of the issue price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the issue price of the entire issue.

(4) **Initial Purchaser's Discount.** The Initial Purchaser's discount is \$\_\_\_\_\_, being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by the Initial Purchaser to the Issuer for the Issue.

[(5) **Discount Maturities Subject to Mandatory Early Redemption.** No Maturity that is subject to mandatory early redemption has a stated redemption price that exceeds the [Sale][Initial Offering][Expected Offering] Price[, as applicable,] of such Maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of years to its weighted average maturity date.]

[Or]

[(5) **Discount Maturities Subject to Mandatory Early Redemption.** The stated redemption price at maturity of the Maturities that mature in the year[s] 20\_\_, which Maturities are the only Maturities of the Issue that are subject to mandatory early redemption [revise as appropriate], exceeds the [Sale][Initial Offering][Expected Offering] Price[, as applicable,] of such Maturities by more than one-fourth of 1% multiplied by the product of the stated redemption price at maturity and the number of years to the weighted average maturity date of such Maturities. Accordingly, in computing the Yield on the Issue stated in paragraph (2), those Maturities were treated as redeemed on each mandatory early redemption date at their present value rather than at their stated principal amount.]

[(6) **Premium Maturities Subject to Optional Redemption.** No Maturity of the Issue:

- Is subject to optional redemption within five years of the Issuance Date of the Issue.
- That is subject to optional redemption has a[n] [Sale][Initial Offering][Expected Offering] Price[, as applicable,] that exceeds its stated redemption price at maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of complete years to its first optional redemption date.]

[Or]

[(6) **Premium Maturities Subject to Optional Redemption.** The Maturities that mature in the year[s] 20\_\_ are the only Maturities that are subject to optional redemption before maturity and have a[n] [Sale][Initial Offering][Expected Offering] Price[, as applicable,] that exceeds their stated redemption price at maturity by more than one fourth of 1% multiplied by the product of their stated redemption price at maturity and the number of complete years to their first optional redemption date. Accordingly, in computing the Yield on the Issue stated in paragraph (2), each such Maturity was treated as retired on its optional redemption date or at maturity to result in the lowest yield on that Maturity. No Maturity is subject to optional redemption within five years of the Issuance Date of the Issue.]

[Or]

[(7) **No Discount or Premium Maturities.** No Maturity was sold at an original issue discount or premium.]

[(6 or 8) **No Stepped Coupon Maturities.** No Maturity bears interest at an increasing interest rate.]

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The signer is an officer of the Initial Purchaser and duly authorized to execute and deliver this Certificate of the Initial Purchaser. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Initial Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Squire Patton Boggs (US) LLP and Amira Jackmon, Attorney at Law, as co-bond counsel to the Issuer, in connection with rendering their opinions that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that co-bond counsel may give to the Issuer from time to time relating to the Issue.

Dated: [Closing Date]

INITIAL PURCHASER

By: \_\_\_\_\_

Title: \_\_\_\_\_

**If the competitive sale requirements are met:**

**SCHEDULE A  
COPY OF INITIAL PURCHASER'S BID**

*(Attached)*

**If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):**

**SCHEDULE A  
INITIAL OFFERING PRICES OF THE ISSUE**

*(Attached)*

**SCHEDULE B  
PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*