
DECLARATION OF TRUST

executed by

THE TREASURER OF THE CITY AND COUNTY OF SAN FRANCISCO

Dated as of June 1, 2015

City and County of San Francisco
Taxable General Obligation Bonds
(Seismic Safety Loan Program, 1992)
Series 2015A

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DECLARATION OF TRUST

Relating to

City and County of San Francisco
Taxable General Obligation Bonds
(Seismic Safety Loan Program, 1992)
Series 2015A

This DECLARATION OF TRUST is executed by the Treasurer of the City and County of San Francisco (the “Treasurer”) as of the first day of June, 2015.

WITNESSETH

WHEREAS, pursuant to Section 6.106 of the Charter of the City and County of San Francisco, the Treasurer is the officer of the City and County of San Francisco (the “City”) responsible for the holding, investment and safekeeping of the moneys of the City;

WHEREAS, the Board of Supervisors of the City duly called an election that was regularly held in the City on November 3, 1992, for the purpose of submitting to the voters of the City a measure (“Proposition A”) authorizing the City to incur bonded indebtedness to finance the City’s Seismic Safety Loan Program (the “Program”) under which the City would be authorized to use bond proceeds to provide loans to private parties for the seismic strengthening of unreinforced masonry buildings and to pay necessary administrative costs incidental thereto;

WHEREAS, more than two-thirds of the qualified voters of the City voting on said Proposition A approved the issuance by the City of its general obligation bonds in an amount not to exceed \$350,000,000 to finance the Program;

WHEREAS, On February 22, 1994, the Board of Supervisors (the “Board”) adopted Resolution No. 160-94 (“Resolution No. 160-94”), which was signed by the Mayor of the City (the “Mayor”) on February 25, 1994, and pursuant to which the City authorized the issuance of bonds (the “Seismic Safety Loan Bonds”) in the aggregate principal amount of \$350,000,000;

WHEREAS, On July 22, 2014, the Board of Supervisors (the “Board”) adopted Resolution No. 284-14 (the “Original Resolution”), which was signed by the Mayor of the City (the “Mayor”) on July 31, 2014, and on _____, 2015, the Board adopted Resolution No. ____-15 (the “Amending Resolution,” and together with the Original Resolution, the “Resolution”), which was signed by the Mayor of the City (the “Mayor”) on _____, 2015, and pursuant to the Resolution, the City authorized the issuance of Seismic Safety Loan Bonds in the aggregate principal amount of not to exceed \$24,000,000 (the “Bonds”);

WHEREAS, the City is authorized to issue the Seismic Safety Loan Program Bonds pursuant to the Charter of the City (the “Charter”) and Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the “Bond Act” and collectively with the Charter, the “Law”);

WHEREAS, the Bonds will be payable from proceeds of the *ad valorem* taxes levied on taxable property in the City in accordance with Proposition A;

WHEREAS, the execution by the Treasurer of this Declaration of Trust is necessary and desirable to set forth certain provisions of the Bonds and to provide for the repayment thereof; and

WHEREAS, all conditions, things and acts required by law to exist, happen and be performed precedent to and in connection with the issuance of the Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized to issue the Bonds;

NOW, THEREFORE, THIS DECLARATION OF TRUST WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Declaration of Trust, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be paid, issued and in consideration of the premises and of the covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Treasurer hereby declares, for the benefit of the respective holders from time to time of the Bonds, as follows:

SECTION 1. Definitions

Unless the context otherwise requires, the terms defined in this Section shall from all purposes hereof and of any certificate, opinion, request or other document herein mentioned have the meanings herein specified.

Authorized Denomination

The term “Authorized Denomination” means (i) during any Daily Mode, Weekly Mode or Index Mode, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000; and (ii) during any Term Mode or while the Bonds bear interest at a Fixed Rate, \$5,000 or any integral multiple thereof.

Authorized Officer

The term “Authorized Officer” means the City’s Mayor, Controller, Director of Public Finance or any other person as may be designated and authorized to sign for the City.

Bond Fund

The term “Bond Fund” means the fund by that name established pursuant to Section 4 of Resolution No. 160-94.

Book-Entry Bonds

The term “Book-Entry Bonds” means the Bonds registered in the name of the Nominee of a Depository as the Holder thereof pursuant to the terms and provisions of Section 9 hereof.

Bondholder; holder of Bonds; Bondowner; Owner; registered owner

The term “Bondholder” or “holder of Bonds” or “Bondowner” or “Owner” or “registered owner” means the person or persons in whose name or names a Bond shall be registered on the books of the City kept for that purpose in accordance with the terms of this Declaration of Trust.

Bonds; Serial Bonds; Term Bonds

The term “Bonds” means the City and County of San Francisco Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992) Series 2015A.

The term “Serial Bonds” means Bonds for which there are no Mandatory Sinking Account Payments.

The term “Term Bonds” means Bonds which are payable on or before their specified maturity dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Business Day

The term “Business Day” means any day other than a Saturday, Sunday, legal holiday or other day on which commercial banking institutions are authorized or required by law to be closed in California or New York.

Calculation Agent

The term “Calculation Agent” means the Initial Purchaser, or any other financial institution of financial advisor selected by the City from time to time.

City

The term “City” means the City and County of San Francisco, a city and county duly organized and existing under and by virtue of its Charter and the laws of the State.

Controller

The term “Controller” means the Controller of the City and County of San Francisco.

Costs of Issuance

The term “Costs of Issuance” means all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Declaration of Trust, the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; CUSIP service bureau charges; legal fees and expenses of co-bond counsel with respect to the financing; the initial fees and expenses of any paying agent; co-financial advisory fees; advertising costs and other fees and expenses incurred in connection with the issuance of the Bonds, including the administrative costs of the City.

Declaration of Trust

The term “Declaration of Trust” means this Declaration of Trust dated as of June 1, 2015, by the Treasurer on behalf of the owners of the Bonds, as originally executed and as it may from time to time be amended or supplemented, providing for the terms of a fixed rate series of the Bonds.

Depository

The term “Depository” means any securities depository acting as Depository pursuant to Section 9(a) hereof.

DTC

The term “DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

DTC Participant or Participant

The term “DTC Participant” or “Participant” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as a securities depository.

Electronic Notice

The term “Electronic Notice” means notice given by The Bond Buyer Wire or Bloomberg Business News.

Event of Default

The term “Event of Default” means any of the events specified in Section 15 hereof.

Federal Funds Rate

The term “Federal Funds Rate” is the interest rate at which banks and other depository institutions lend money to each other, usually on an overnight basis.

Federal Securities

The term “Federal Securities” means any of the following which at the time are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (1) United States Obligations (as herein defined); and
- (2) Pre-refunded fixed interest rate municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash and/or

United States Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in the escrow fund or the redemption account) are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus sign or other modifier), at the time of original deposit to the escrow fund, by any two of the three Rating Agencies (as defined herein) not lower than the rating then maintained by the respective Rating Agency on United States Obligations.

As used in this definition of “Federal Securities,” “United States Obligations” shall mean (i) direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including without limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds which have been stripped by request to the Federal Reserve Bank of New York in book-entry form or (ii) any security issued by an agency or instrumentality of the United States of America which is selected by the Director of Public Finance that results in the escrow fund being rated by any two of the three Rating Agencies (as defined herein), at the time of the initial deposit to the escrow fund and upon any substitution or subsequent deposit to the escrow fund, no lower than the rating then maintained by the respective Rating Agency on United States Obligations described in (i) herein.

As used in this definition of “Federal Securities,” “Rating Agencies” shall mean Moody’s Investors Service Inc. (“Moody’s”), Fitch Ratings (“Fitch”), and Standard and Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), or any other nationally-recognized bond rating agency which is the successor to any of the foregoing rating agencies.

Fitch

The term “Fitch” means Fitch Ratings, a limited partnership organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P and Moody’s) designated by the City.

Fixed Rate or Fixed Rates

The term “Fixed Rate” or “Fixed Rates” means the fixed interest rates on the Bonds as determined pursuant to Section 2(f) hereof.

Fixed Rate Bonds

The term “Fixed Rate Bonds” means Bonds converted to the Fixed Rate.

Fixed Rate Conversion Date

The term “Fixed Rate Conversion Date” means any date established by the City for conversion of interest on the Bonds to Fixed Rates in accordance with Section 2(f) hereof.

Fixed Rate Period

The term “Fixed Rate Period” means any period during which the Bonds bear interest at Fixed Rates.

Index Rate

The term “Index Rate” means the per annum rate of interest, determined weekly or monthly, as applicable, equal to the sum of (a) the LIBOR Index, (b) the Index Rate Spread and (c) applicable Ratings Spread, as provided in Section 2 hereof. In no event shall any Index Rate exceed the Maximum Rate.

Index Rate Determination Date

The term “Index Rate Determination Date” means the first Business Day of each month during an Index Mode or as otherwise specified in Section 4.2(b).

Index Rate Spread

The term “Index Rate Spread” means, while the Bonds bear interest at an Index Rate, an amount equal to fifty-eight one-hundredths of one percent (0.58%).

Initial Bondowner

The term “Initial Bondowner” means U.S. Bank National Association, or its successor.

Interest Payment Date

The term “Interest Payment Date” means a date on which interest on the Bonds becomes due and payable, being June 15 and December 15 of each year, commencing on December 15, 2015.

Interest Period

The term “Interest Period” shall mean the period from and including any Interest Payment Date to and including the day immediately preceding the next following Interest Payment Date, except that the first Interest Period shall be the period from and including the date of issuance of the Bonds or initial Mode Change Date, as appropriate, to and including the day immediately preceding the first Interest Payment Date.

LIBOR Index

“LIBOR Index” means the London Interbank Offered Rate (“LIBOR”), or a comparable or successor rate, as published on the applicable Bloomberg screen page (or such other

commercially available source providing such quotations as may be designated by the Calculation Agent from time to time) at or about 11:00 a.m., London time, on each Computation Date prior to the next succeeding Index Rate Determination Date, for U.S. Dollar deposits for delivery on such Index Rate Determination Date, with a term equivalent to one (1) month. If for any reason such LIBOR Index is not available and/or the Calculation Agent is unable to determine the Index Rate for any Index Rate period, the Calculation Agent may, at its discretion, either (a) select a replacement index based on the arithmetic mean of quotations, if any, of the interbank offered rate by first class banks in London or New York for deposits with comparable maturities, (b) select another index reasonably determined by the Calculation Agent to be a proxy for LIBOR, or (c) deem the LIBOR Index to be a rate per annum equal to the Calculation Agent's Federal Funds Rate as of the first day of any Index Rate period for which such LIBOR Index is unavailable or cannot be determined; provided that the Calculation Agent shall give prompt written notice to the City setting forth such change in interest rate, the nature of the circumstances giving rise to such change, and the method of calculating such change if based on a replacement index. The Calculation Agent's internal records of applicable interest rates shall be determinative in the absence of manifest error.

Loan Fund

The term "Loan Fund" means the fund by that name established pursuant to former San Francisco Administrative Code Section 10.117-110 (now codified as San Francisco Administrative Code Section 10.100-315), as described in Section 14 of Resolution No. 160-94.

London Banking Day

The term "London Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England.

Mandatory Sinking Account Payments

The term "Mandatory Sinking Account Payments" means the amount of money required by or pursuant to this Declaration of Trust to be paid by the City on any Sinking Account Payment Date toward the retirement of any particular Term Bonds on or prior to their respective stated maturities.

Maximum Rate

The term "Maximum Rate" means the lesser of the maximum rate allowed by law and twelve percent (12%) per annum.

Mode

The term "Mode" means, as the context may require, the Index Mode, the Fixed Rate or the Term Rate.

Mode Change

The term "Mode Change" means changing from one Mode to a different Mode.

Mode Change Date

The term “Mode Change Date” means any the date of any Mode Change.

Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P and Fitch) designated by the City.

Opinion of Bond Counsel

The term “Opinion of Bond Counsel” means an opinion rendered by Schiff Hardin LLP and Richards/Watson/Gershon or any other by a nationally recognized bond counsel firm experienced in matters relating to the validity of obligations of state and political subdivisions.

Outstanding

The term “Outstanding” means all Bonds except:

- (1) Bonds theretofore canceled by the City and the Treasurer or surrendered to the Treasurer for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 3(f); and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City and the Treasurer pursuant hereto.

Program

The term “Program” means the City’s program of making seismic safety loans from proceeds of the Seismic Safety Loan Bonds, including the Bonds.

Program Costs

The term “Program Costs” means capital expenditures incurred by the City for the Program and Costs of Issuance.

Purchase Date

The term “Purchase Date” means any date on which any Bond is required to be purchased pursuant to Section 4(a) hereof.

Purchase Price

The term “Purchase Price” means the purchase price of Bonds required to be purchased pursuant to Section 4(b) hereof.

Rating Agency or Rating Agencies

The term “Rating Agency” means each of Fitch, Moody’s and S&P (or collectively, “Rating Agencies”) or any other nationally recognized bond rating agency or agencies then maintaining a rating on the Bonds, but, in each instance, only so long as Fitch, Moody’s, S&P or other nationally recognized rating agency then maintains a rating on the Bonds.

Rating Category

The term “Rating Category” means, with respect to any Federal Security, one of the generic categories of rating by the Rating Agencies applicable to such Federal Security without regard to any refinement, subcategory or graduation by a plus or minus sign or a numeral.

Ratings Spread

The term “Ratings Spread” means, with respect to any date of determination, the amount associated with the Level corresponding to the applicable long-term unenhanced debt rating assigned by Moody’s, S&P’s or Fitch’s ratings assigned to the City’s general obligation bonds in effect at the close of business on the Business Day immediately preceding such date, and, based on the lowest of such ratings on such Business Day, as set forth below:

<u>Level</u>	<u>Moody’s</u>	<u>S&P</u>	<u>Fitch</u>	<u>Ratings Spread (basis points)</u>
Level 1	Aa2	AA	AA	0.0
Level 2	Aa3	AA-	AA-	10.0
Level 3	A1	A+	A+	15.0
Level 4	A2	A	A	25.0
Level 5	A3	A-	A-	35.0
Level 6	Baa1	BBB+	BBB+	40.0

In the case of a split rating or differing ratings as between and among the Rating Agencies, for all purposes of determining the Ratings Spread, (1) if three Rating Agencies then provide ratings, the middle of such ratings shall apply and (2) if two Rating Agencies then provide ratings, the lowest of such ratings shall apply. Any change in the Ratings Spread resulting from a change in a rating shall be and become effective as of and on the date of the announcement of the change in such rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The City and the Initial Bondowner acknowledge that as of the date of issuance of the Bonds, the Applicable Spread is that specified above for Level 1.

Record Date

The term “Record Date” means (i) the Business Day immediately preceding the applicable Interest Payment Date during the Daily Mode, the Weekly Mode or the Index Mode

and (ii) the first day of the month prior to an Interest Payment Date during a Term Mode or while the Bonds bear interest at a Fixed Rate.

Resolution No. 160-94

The term “Resolution No. 160-94” means Resolution No. 160-94, adopted by the Board on February 22, 1994 and signed by the Mayor on February 25, 1994, pursuant to which the City authorized the issuance of the Seismic Safety Loan Bonds.

Series 2015A Bond Account

The term “Series 2015A Bond Account” means the account by that name established within the Bond Fund pursuant to Section 10 of this Declaration of Trust.

Series 2015A Costs of Issuance Account

The term “Series 2015A Costs of Issuance Account” means the account by that name established within the Loan Fund pursuant to Section 11 of this Declaration of Trust.

Series 2015A Loan Account

The term “Series 2015A Loan Account” means the account by that name established within the Loan Fund pursuant to Section 11 of this Declaration of Trust.

Sinking Account Payment Date

The term “Sinking Account Payment Date” means any date on which Mandatory Sinking Account Payments on the Bonds are scheduled to be paid.

S&P

The term “S&P” means Standard and Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s and Fitch) designated by the City.

State

The term “State” means the State of California.

Term Mode

The term “Term Mode” means the period during which a Term Rate is in effect.

Term Rate

The term “Term Rate” means the highest of (i) U.S. Bank Prime Rate plus 1.50%; (ii) Federal Funds Rate plus 2.50%; or (iii) 7.50%, in each case, plus one percent (1%).

Term Rate Conversion Date

The term “Term Rate Conversion Date” means (i) [three/five year anniversary date]; or (ii) such later date as specified in a written notice from the Initial Bondowner to the City.

Term Rate Period

The term “Term Rate Period” means a period of one month or more ending prior to the scheduled final maturity date of the Bonds, during which a particular Term Rate is in effect as provided in Section 2(e).

Treasurer

The term “Treasurer” means the Treasurer of the City, and any successors and assigns.

U.S. Bank Prime Rate

The term “U.S. Bank Prime Rate” means that interest rate announced from time to time by U.S. Bank National Association, as its prime lending rate.

SECTION 2. Terms of the Bonds.

(a) General. The Bonds shall initially be issued bearing interest at the Index Rate. The Index Rate to be applicable to the Bonds shall be determined by [the Calculation Agent] and notice thereof shall be given as provided herein. The first Interest Payment Date shall be December 15, 2015. The Bonds shall be dated as of the date of initial issuance of the Bonds and shall be numbered as determined by the City. Subject to prior redemption, the Bonds shall mature on [June 1, 2040].

(b) Denominations and Interest. The Bonds shall be issued as fully registered Bonds in Authorized Denominations. The Bonds shall be dated the date of issuance thereof and shall bear interest until maturity or prior redemption, as provided in Section 3, provided that in no event shall the rate of interest on any Bond exceed at any time the Maximum Rate. Interest on the Bonds shall be payable on each Interest Payment Date, provided that if any Interest Payment Date is not a Business Day, such interest (and any principal due) shall be mailed or wired pursuant to this Section 2 on the next succeeding Business Day and no interest shall accrue from the date when due. While the Bonds are in an Index Mode, interest on the Bonds shall be computed on the basis of a 365/366 day year for the number of days actually elapsed. When the Bonds are in a Term Mode or are Fixed Rate Bonds, interest on the Bonds will be calculated on the basis of a 360-day year and twelve (12) 30-day months.

(c) Payment of Principal and Interest.

(1) The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon surrender to the Treasurer.

(2) The interest on any Bonds shall be payable to the person whose name appears on the registration books (maintained pursuant to Section 8) as the registered owner thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by

check mailed by first-class mail, postage prepaid, on such Interest Payment Date, to the registered owner at his or her address as it appears on such registration books or, at the request of any Holder of at least \$1,000,000 aggregate principal amount of Bonds, by wire transfer of immediately available funds to the bank account or number within the United States specified by such Holder in writing to the Treasurer for that purpose prior to the applicable Record Date.

(d) The Index Mode. While the Bonds are in an Index Mode, the Index Rate shall be determined by the Calculation Agent on the first Business Day of each calendar month (each, an Index Rate Determination Date”). [The determination of the interest rate on the Bonds by the Calculation Agent shall be conclusive and binding upon the Owners of the Bonds and the City.] Such Index Rate shall be in effect for purposes of computing interest from the Index Rate Determination Date until the day immediately preceding the next Index Rate Determination Date (whether or not such day is a Business Day). In no event shall any Index Rate exceed the Maximum Rate. The Index Rate as of the date of issuance of the Bonds, up to but not including the first Index Rate Determination Date, shall be based on the applicable Index for such Series of Bonds announced two days prior to the date of issuance. The Calculation Agent shall provide notice of the Index Rate promptly following the determination thereof.

(e) Conversion to a Term Rate. In the event that the Initial Bondowner is the sole Owner of the Bonds on the Term Rate Conversion Date, the Bonds shall convert on such date to a Term Mode and shall bear interest at the Term Rate thereafter. In addition, the Bonds shall become subject to Mandatory Sinking Fund Payments as set forth in Section 3(b).

(f) Conversion to a Fixed Rate.

(1) At any time, the City may, establish a Fixed Rate Conversion Date from and after which the Bonds shall bear interest at a [one or more] Fixed Rate. The Fixed Rate Conversion Date shall be the date on which the Bonds are subject to mandatory tender in accordance with Section 4.

(2) The City shall determine the Fixed Rates to be in effect by any means including, without limitation, competitive offering of the Bonds, appointment of a remarketing agent or underwriting firm for a negotiated public sale of Bonds or by sale to one or more financial institutions.

(3) In connection with establishing the Fixed Rates, the City may establish terms for the optional redemption of the Bonds or for mandatory redemption from Sinking Fund Payments in accordance with Section 3(b).

(4) Upon receipt of an opinion of Bond Counsel, the City may convert all or a portion of the Bonds to Serial Bonds, in which case the City will prepare new bond certificates representing the maturities of the Bonds.

SECTION 3. Redemption of Bonds.

(a) Optional Redemption During Index Mode, a Term Mode and on a Mode Change Date. The Bonds are subject to optional redemption as a whole or in part prior to maturity (i) on any Interest Payment Date or any Index Rate Determination Date while the Bonds are in an Index Mode or a Term Mode and (ii) on any Mode Change Date at a redemption price equal to

the principal amount thereof, without premium, plus accrued interest, if any, to the date fixed for redemption. The Bonds also are subject to optional redemption as a whole or in part prior to maturity on any date other than an Interest Payment or Index Rate Determination Date while in the Index Mode, at the principal amount thereof, plus LIBOR Index breakage costs as calculated by the Calculation Agent, plus accrued interest, if any, to the date fixed for redemption.

(b) Mandatory Redemption from Sinking Fund Payments During Term Rate Period.

(1) On or before the Term Rate Conversion Date, the City shall establish a Schedule of Sinking Account Payments During Term Rate Period, which will provide for substantially level debt service and full amortization of the Bonds over five (5) years. The City shall provide such schedule to the Initial Purchaser and such schedule shall be appended hereto as Exhibit C, and this Declaration of Trust shall be deemed amended in that respect.

(2) During the Term Rate Period, in addition to the payment of interest on the Bonds, the City shall redeem Bonds, in each case, in accordance with the completed Exhibit C.

(c) Redemption During Fixed Rate Period.

(1) In connection with the Fixed Rate Conversion Date, the City may establish redemption provisions to be applicable thereafter. In such event, the City shall complete Exhibit D—"Redemption Provisions Applicable to Fixed Rate Bonds" and shall attach such Schedule as Exhibit D and this Declaration of Trust shall be deemed amended in such respect.

(2) During the Fixed Rate Period, in addition to the payment of interest on the Bonds, the City may redeem Bonds pursuant to optional redemption and shall redeem Bonds from Sinking Account Payments, in each case, in accordance with Exhibit D.

Any mandatory redemption during the Fixed Rate Period shall be by lot on the dates and as set forth in Exhibit D, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that (i) if some but not all of the Bonds have been redeemed pursuant to subsections (a) above, the total principal amount of Bonds to be redeemed pursuant to this Section 3(c) subsequent to such redemption shall be reduced on a pro rata basis, or as otherwise specified in writing by the City, in integral multiples of an Authorized Denomination, and (ii) if the maturities of any Bonds are converted to Serial Bonds pursuant to Section 2(e) following a conversion to the Fixed Rate, such Serial Bonds shall not be subject to mandatory sinking fund redemption pursuant to this Section 3(c).

(e) Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption on any one date, the Treasurer shall select the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot, in any manner which the Treasurer deems fair.

(f) Notice of Redemption. Notice of any redemption of Bonds shall be mailed, postage prepaid, to the respective registered Owners thereof at the addresses appearing on the bond registration books not less than thirty (30) nor more than sixty (60) days prior to the redemption date. The notice of redemption shall (a) state the redemption date; (b) state the

redemption price; (c) state the dates of maturity of the Bonds and, if less than all of any such maturity is called for redemption the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of Bonds redeemed in part only, the respective portions of the principal amount thereof, to be redeemed; (d) state the series and the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the Owners at the office of the Treasurer; and (f) give notice that further interest on such Bonds will not accrue after the designated redemption date.

The actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

No less than thirty (30) days nor more than sixty (60) days before the redemption date, notice of the redemption shall be given by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission or (iii) overnight delivery service, to each of the Securities Depositories and each of the Information Services.

The notice or notices required for redemption shall be given by the Treasurer. A certificate by said Treasurer that notice of call and redemption has been given to Owners of the Bonds as herein provided shall be conclusive as against all parties, and no Owner whose Bond is called for redemption may object thereto or object to the cessation of interest on the fixed redemption date by any claim or showing that said Owner failed to actually receive such notice of call and redemption. Any notice of redemption may be cancelled and annulled if for any reason funds are not or will not be available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation and annulment shall not be a default hereunder.

The City shall have the right to provide a conditional notice of redemption to the Owner of any Bond and to rescind any optional redemption by written notice to the Owner of any Bond previously called for redemption prior to the redemption date. Notice of rescission of redemption shall be provided in the same manner notice of redemption was originally provided. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Notwithstanding the preceding provision of this Section 3(g), during any period in which the Initial Purchaser is the Owner of all of the Bonds, notice of redemption shall be given solely by [electronic means] no less than [10] days prior to the date fixed for redemption.

(g) Payment of Bonds Called for Redemption. Prior to the time the City determines to call and redeem any of the Bonds, the Treasurer shall establish (i) an escrow fund with an escrow agent or (ii) a Redemption Fund to be described or known as the "Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992), Series 2015A Redemption Fund." Prior to or on the redemption date there shall be set aside in said escrow fund or Redemption Fund moneys or Federal Securities available for the purpose and sufficient to redeem, as in this Declaration of Trust provided, the Bonds designated in said notice of redemption. Said moneys must be set aside in said escrow fund or Redemption Fund solely for that purpose and shall be

applied on or after the redemption date to payment for the Bonds to be redeemed upon presentation and surrender of such Bonds, and shall be used only for that purpose. After all of the Bonds have been redeemed and cancelled or paid and cancelled, any moneys remaining in said escrow fund or Redemption Fund shall be transferred to the General Fund of the City (the "General Fund"); provided, however, if the remaining moneys are part of the proceeds of refunding bonds, said moneys shall be transferred to the fund created for the payment of principal of and interest on such refunding bonds.

When notice of redemption has been given and when the amount necessary for the redemption of the Bonds called for redemption (principal and premium, if any) is set aside for that purpose in said escrow fund or Redemption Fund, as provided for herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption, such Bonds shall be redeemed and paid at said redemption price out of said escrow fund or Redemption Fund, and no interest will accrue on such Bonds called for redemption after the date fixed for redemption in such notice, and the Owners of said Bonds so called for redemption after such redemption date shall look for the payment of such Bonds only to said escrow fund or Redemption Fund. All Bonds redeemed shall be cancelled forthwith by the Treasurer and shall not be reissued.

SECTION 4. Mandatory Tender of Bonds.

(a) Mandatory Tender During Index Mode, a Term Mode and on a Mode Change Date. The Bonds are subject to mandatory tender, but not in part, prior to maturity (i) on any date while the Bonds are in an Index Mode or a Term Mode and (ii) on any Mode Change Date (each, a Purchase Date") at a purchase price equal to the principal amount thereof, without premium, plus accrued interest, if any, to the date fixed for redemption. On any Purchase Date, the Owner of such Bond shall tender such Bond for purchase as provided below and such Bond shall be purchased or deemed purchased as provided in Section 4(b) below at a purchase price equal to the principal amount thereof plus accrued interest thereon (the "Purchase Price"). Subject to Section 4(b) hereof, payment of the Purchase Price of such Bond shall be made by 1:30 p.m. (California time), in the same manner as payment of interest on the Bonds. The Owner shall deliver such Bonds no later than 9:30 a.m. (California time) on the Purchase Date to the [Treasurer], accompanied by an instrument of transfer thereof, in form satisfactory to the Treasurer, with the signature guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

(b) Purchase of Bonds. The City shall establish a fund (the "Purchase Fund") to be held separate and apart from all other City funds, to be applied solely to the purchase of tendered Bonds. If moneys sufficient to pay the Purchase Price of Bonds to be purchased pursuant to Section 4(a) shall be on deposit in the Purchase Fund on the date such Bonds are to be purchased, any Bonds to be so purchased will be deemed to have been transferred on such date and to have been purchased. The Owner will thereafter have no rights with respect to such Bonds except to receive payment of the Purchase Price therefor.

(c) Notice of Mandatory Tender. Notice of any mandatory tender of Bonds shall be mailed, postage prepaid, to the respective registered Owners thereof at the addresses appearing on the bond registration books not less than thirty (30) nor more than sixty (60) days prior to the redemption date. The notice of mandatory tender shall (a) state the Purchase Date; (b) state the

Purchase Price; (c) require that such Bonds be surrendered by the Owners at the office of the Treasurer; and (d) give notice that further interest on such Bonds will not accrue after the designated Purchase Date.

The actual receipt by the Owner of any Bond of notice of such mandatory tender shall not be a condition precedent to purchase, and failure to receive such notice shall not affect the validity of the proceedings for the purchase of such Bonds or the cessation of interest on the Purchase Date.

No less than thirty (30) days nor more than sixty (60) days before the redemption date, notice of the redemption shall be given by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission or (iii) overnight delivery service, to each of the Securities Depositories and each of the Information Services.

The notice required for mandatory tender shall be given by the Treasurer. A certificate by said Treasurer that notice of mandatory tender has been given to Owners of the Bonds as herein provided shall be conclusive as against all parties, and no Owner whose Bond is called for redemption may object thereto or object to the cessation of interest on the Purchase Date by any claim or showing that said Owner failed to actually receive such notice of call and redemption. Any notice of mandatory tender may be cancelled and annulled if for any reason funds are not or will not be available on the Purchase Date redemption for the payment in full of the Bonds then noticed for Mandatory Tender, and such cancellation and annulment shall not be a default hereunder.

The City shall have the right to provide a conditional notice of mandatory tender to the Owner of any Bond and to rescind any notice of mandatory tender by written notice to the Owner of any Bond to the Purchase Date. Notice of rescission of mandatory tender shall be provided in the same manner notice of mandatory tender was originally provided. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Notwithstanding the preceding provision of this Section 4(c), during any period in which the Initial Purchaser is the Owner of all of the Bonds, notice of redemption shall be given solely by [electronic means] no less than [10] days prior to the date fixed for redemption.

SECTION 5. Execution of Bonds. As provided in the Resolution, the Bonds shall be signed by the Mayor and the Treasurer and countersigned by the Clerk of the Board of Supervisors. The Treasurer is hereby authorized to authenticate Bonds. All signatures may be facsimile or manual, except for the Treasurer's authentication of the Bonds, which shall be a manual signature. Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form attached hereto as Exhibit A, executed by the Treasurer, shall be valid or obligatory for any purpose or entitled to the benefits of this Declaration of Trust, and such certificate of the Treasurer shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Declaration of Trust.

The Treasurer shall assign each Bond authenticated and registered a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available for inspection.

SECTION 6. Transfer of Bonds.

(a) General. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 8 hereof, by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Treasurer.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated City officials shall execute and the Treasurer shall authenticate and deliver a new Bond or Bonds of the same series and maturity, for a like aggregate principal amount. The Treasurer shall require the payment by any Bondowner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The City and the Treasurer may deem and treat the registered Owner of any Bonds as the absolute Owner of such Bonds for the purpose of receiving payment thereof and for all other purposes, whether such Bonds shall be overdue or not, and neither the City nor the Treasurer shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bonds shall be made only to such registered Owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bonds to the extent of the sum or sums so paid.

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

(b) Restrictions on Transfer of the Bonds. Prior to the Fixed Rate Conversion Date, the Bonds, or any interest thereon, may not be transferred other than to a qualified institutional buyer” who delivers to the City and the Initial Bondowner, a Representation Letter in the form attached hereto as Exhibit B.

SECTION 7. Exchange of Bonds. Bonds may be exchanged at the office of the Treasurer for a like aggregate principal amount of other authorized denominations of the same maturity and the same series. The Treasurer shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

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

SECTION 8. Bond Registration Books. The Treasurer will keep or cause to be kept, at the office of the Treasurer sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection, and, upon presentation for such purpose, the Treasurer

shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

SECTION 9. Book-Entry System.

(a) Initial Physical Bonds. The Bonds will be issued in the form of one physical bond certificate, registered in the name of the Initial Bondowner.

(a) Use of Depository. The City may elect at any time to convert the bonds to book-entry form in accordance with the following process. The Depository Trust Company may be appointed as depository for the Bonds. The Bonds will then be thereafter be in book-entry form (“Book-Entry Bonds”), and each maturity shall be in the form of a separate single fully registered Bond (which may be typewritten). Upon a conversion of the Bonds to Book-Entry Bonds, the ownership of each such Bond shall be registered in the bond register in the name of the CEDE & Co., as nominee (the “Nominee”) of the Depository.

With respect to Book-Entry Bonds, the City shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the City shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the bond register, of any notice with respect to Book-Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds to be redeemed in the event the City redeems such in part, or (iv) the payment of any amount with respect to principal of, premium, if any, or interest on Book-Entry Bonds. The City may treat and consider the person in whose name each Book-Entry Bond is registered in the bond register as the absolute owner of such Book-Entry Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Treasurer shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the bond register, or the respective Owner’s attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner as shown in the bond register, shall receive a Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Declaration of Trust. Upon delivery by the Depository to the Bondowners, the Treasurer and the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Declaration of Trust shall refer to such nominee of the Depository.

(b) Letter of Representations. In order to qualify the Book-Entry Bonds for the Depository’s book-entry system, the City shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of such Letter of Representations shall not in any way impose upon the City or the Treasurer any obligation whatsoever with respect to persons

having interests in such Book-Entry Bonds other than the Owners, as shown on the bond register. In addition to the execution and delivery of such Letter of Representations, the City shall take such other actions, not inconsistent with this Declaration of Trust, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event (i) the Depository determines not to continue to act as securities depository for the Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Treasurer and the City of such determination, then the City will discontinue the book-entry system with the Depository. If the City determines to replace the Depository with another qualified securities depository, the City shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturities of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the City fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging such Bonds shall designate, in accordance with provisions of Sections 6 and 7 hereof.

Notwithstanding any other provision of this Declaration of Trust to the contrary, so long as any Book-Entry Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

SECTION 10. Series 2015A Bond Account of the Bond Fund. Pursuant to Section 4 of Resolution No. 160-94, there has previously been established with the Treasurer a special fund designated as the Taxable General Obligation Bonds (Seismic Safety Loan Program) Bond Fund (the "Bond Fund"), into which all taxes levied and collected for the purpose of paying the principal of and interest on the Seismic Safety Loan Bonds are deposited. There is hereby established in trust a special account within the Bond Fund designated the "Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992), Series 2015A Bond Account" (the "Series 2015A Bond Account"). Any amounts on deposit in the Series 2015A Bond Account when there are no longer any Bonds Outstanding shall be applied as specified in Section 4 of Resolution No. 160-94.

All taxes levied pursuant to the Resolution for payment of the Bonds shall be deposited upon collection by the City into the Series 2015A Bond Account and used for the payment of the principal of (whether due on account of maturity or due to Mandatory Sinking Account Payments), premium, if any, and interest on the Bonds (collectively, the "Debt Service"). On the Business Day immediately preceding each Interest Payment Date, the Treasurer shall transfer from the Series 2015A Bond Account any amounts necessary, when added to any available moneys contained in the Series 2015A Bond Account, to pay the Debt Service on the Bonds on such Interest Payment Date.

On or prior to the date on which any Bonds are to be redeemed or prepaid at the option of the City pursuant to this Declaration of Trust, the Treasurer may allocate to and deposit in the Series 2015A Redemption Account, from amounts held in the Bond Fund pursuant to Section 4 of Resolution No. 160-94, an amount which, when added to any available moneys contained in

the Series 2015A Redemption Fund, is sufficient to pay principal, interest and premium, if any, on such Bonds on such date. The Treasurer may make such other provision for the payment of principal and interest and any premium on the Bonds as is necessary or convenient to permit the optional redemption or prepayment of the Bonds.

If at any time it is deemed necessary or desirable by the City, the Treasurer may establish additional funds under this Declaration of Trust and/or accounts or subaccounts within any of the funds or accounts established hereunder.

SECTION 11. Loan Fund; Series 2015A Loan Account and Series 2015A Costs of Issuance Account. As described in Section 14 of Resolution No. 160-94 and pursuant to former San Francisco Administrative Code Section 10.117-110 (now codified as San Francisco Administrative Code Section 10.100-315), there has previously been established with the Treasurer a special fund designated as the Seismic Safety Loan Fund (the "Loan Fund"). There is hereby established in trust a special account within the Loan Fund designated the "Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992), Series 2015A Loan Fund" (the "Series 2015A Loan Account"). The Series 2015A Loan Account shall be maintained by the Treasurer, as a separate account, segregated and distinct from all other accounts. All moneys in the Series 2015A Loan Account shall be applied exclusively to the object and purpose specified in the proposition set forth in Section 3 of Resolution No. 160-94.

The Treasurer shall establish, maintain and hold in trust a separate account within the Loan Fund designated as the "Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992), Series 2015A Costs of Issuance Account" (the "Series 2015A Costs of Issuance Account"). Moneys deposited in the Series 2015A Costs of Issuance Account shall be used to pay Costs of Issuance with respect to the Bonds. At the end of four months from the date of initial execution and delivery of the Bonds, the City shall transfer the balance remaining therein to the Series 2015A Loan Account to be applied to Program Costs.

All of the proceeds of the sale of the Bonds, excluding any premium and accrued interest received thereon (which shall be deposited in the Series 2015A Bond Account), shall be deposited by the Treasurer to the credit of the Series 2015A Loan Account and the Series 2015A Costs of Issuance Account as provided in Section 12 of this Declaration of Trust. Any moneys remaining in the Series 2015A Loan Account when such objects and purposes set forth above have been accomplished shall be transferred to the Series 2015A Bond Account and applied to the payment of the principal of and interest on the Bonds.

SECTION 12. Application of Bond Proceeds. Proceeds from the sale of the Bonds in the amount of \$_____ shall be deposited in the Program Fund, [and \$_____ into the Costs of Issuance Account within the Program Fund].

SECTION 13. Investment of Moneys. All moneys held by the Treasurer in any of the accounts or funds shall be invested solely in cash or securities which constitute legal investments of City General Fund monies. The Treasurer may commingle any of the moneys held in the Series 2015A Bond Account with other City moneys or deposit amounts credited to the Series 2015A Bond Account into a separate fund or funds for investment purposes only; provided, however, that all of the moneys held in the Series 2015A Bond Account hereunder shall be accounted for separately notwithstanding any such commingling or separate deposit by the

Treasurer. Any premium or accrued interest received upon the sale of the Series 2015A Bonds shall be deposited into the Series 2015A Bond Account.

SECTION 14. Moneys Held in Trust. All amounts held in any fund or account established hereunder) are held in trust for the benefit of the registered Owners of the Bonds and are hereby irrevocably pledged to the payment of the interest and premium, if any, and principal of the Bonds as provided herein, and such amounts shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of such amounts there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a first pledge of and charge and lien upon all moneys on deposit in the funds and accounts established hereunder the payment of the interest on, premium, if any, and principal of the Bonds in accordance with the terms hereof and thereof.

SECTION 15. Events of Default. (a) While all of the Bonds are owned by the Initial Bondowner, the occurrence of any of the following events shall constitute an Event of Default:

(1) if default shall be made in the due and punctual payment of the principal of, or premium (if any) on, any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(2) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(3) if default shall be made by the City in the performance or observance of any other of the material covenants, agreements or conditions on its part in this Declaration of Trust, [the Continuing Covenant Agreement,] or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City by the Initial Bondowner, or

[(4) the City's unenhanced general obligation bond rating is withdrawn, suspended, or downgraded below Baal (Moody's)/BBB+ (S&P)/BBB+ (Fitch) by any one of Moody's, S&P, or Fitch (or its respective equivalent),]

then and in each and every such case during the continuance of such Event of Default, the Initial Bondowner in its discretion, may proceed to protect or enforce its rights under the Bonds by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or therein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Initial Bondowner shall deem most effectual in support of any of its rights.

(b) During the continuance of an Event of Default described in clause (1), (2) or (4) of subsection (a) above, all such unpaid amounts shall bear interest at a Default Rate equal to the highest of (i) U.S. Bank Prime Rate plus 1.50%; (ii) Federal Funds Rate plus 2.50%; or (iii) 7.50%, in each case, plus two percent (2%) until paid.

SECTION 16. Defeasance. Any Bonds may be defeased prior to maturity in the following ways:

(a) By irrevocably depositing an amount of cash which together with amounts then on deposit in the Series 2015A Bond Account, is sufficient, without reinvestment, to pay and discharge all of the Outstanding Bonds (including all principal, interest and premium, if any) at or before their stated maturity date; or

(b) By irrevocably depositing Federal Securities not subject to call, together with cash, if required, in such amount as will, without reinvestment, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Series 2015A Bond Account together with the interest to accrue thereon, be fully sufficient to pay and discharge all of the Bonds (including all principal and interest and premium, if any) at or before their stated maturity date;

then, notwithstanding that any of the Bonds shall not have been surrendered for payment, all obligations of the City with respect to all said outstanding Bonds shall cease and terminate, except only the obligation of the City to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of said Bonds not so surrendered and paid all sums due with respect thereto; provided that the City shall have received an Opinion of Bond Counsel to the effect that said Bonds have been defeased.

If cash or Federal Securities have been set aside and are held for the payment of principal of any particular Bonds at the maturity date thereof and all interest installments and any redemption premium thereon in accordance with the preceding paragraph, then such Bonds shall be deemed defeased within the meaning and with the effect as provided in the preceding paragraph.

SECTION 17. Amendments. The City, from time to time and at any time, may amend this Declaration of Trust or enter into a declaration of trust supplemental hereto, which shall form a part hereof; provided that the City shall have received an Opinion of Bond Counsel to the effect that such amendment or supplement will not materially and adversely affect the interests of the Owners of the Bonds. Further, the City and the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding may from time to time and at any time, amend this Declaration of Trust or enter into a declaration of trust supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Declaration of Trust or of any supplemental declaration of trust; provided, however, that no such amendment or supplement shall (1) extend or have the effect of changing the fixed maturity or redemption terms of any Bond or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Bond or (2) reduce the aforesaid percentage of Owners whose consent is required for the execution of such amendments or supplements.

This DECLARATION OF TRUST is executed by the Treasurer of the City and County of San Francisco as of the date and year first above mentioned.

TREASURER OF THE CITY AND COUNTY OF
SAN FRANCISCO

APPROVED:

MAYOR OF THE CITY AND
COUNTY OF SAN FRANCISCO

ATTESTED:

Clerk of the Board of
Supervisors

CONTROLLER OF THE CITY AND
COUNTY OF SAN FRANCISCO

Approved as to form:
DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

[TO BE CONFORMED TO FINAL DOCUMENT]

EXHIBIT A

[FORM OF BOND]

Number UNITED STATES OF AMERICA Amount
STATE OF CALIFORNIA \$

CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(SEISMIC SAFETY LOAN PROGRAM, 1992)
SERIES 2015A

Interest Rate Maturity Date Dated [CUSIP Number]
Variable [June 1, 2040]

REGISTERED OWNER:
PRINCIPAL AMOUNT:

THE CITY AND COUNTY OF SAN FRANCISCO, State of California (herein called the "City"), acknowledges itself indebted to and promises to pay to the Registered Owner hereof or registered assigns, on the Maturity Date set forth above, the principal sum of _____ Dollars (\$_____) in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated during the period from the last day of the month immediately preceding each Interest Payment Date (the "Record Date") to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before December 15, 2015, in which event it shall bear interest from the date of its delivery) until payment of such principal sum, at the interest rate per annum stated above calculated on the basis of a 360-day year comprised of twelve 30-day months, payable on December 15, 2015 and semiannually thereafter on June 15 and December 15 in each year provided, however, if any interest payment date occurs on a day that banks in California and New York are closed for business, then such payment shall be made on the next succeeding day that banks in both California and New York are open for business (a "Business Day"). The principal hereof is payable to the registered owner hereof upon the surrender hereof at the office of the Treasurer of the City (the "Treasurer") in San Francisco, California. The interest hereon is payable to the person whose name appears on the bond registration books of the Treasurer as the Registered Owner hereof as of the close of business on the Record Date immediately preceding an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check or draft mailed to such Registered Owner at the Owner's address as it appears on such registration books; provided, however, that the Registered Owner of Bonds in an aggregate principal amount of at least \$1,000,000 may submit a written request to the Treasurer on or before the Record Date preceding any Interest Payment Date for payment of interest hereon by wire transfer to a commercial bank located within the continental United States.

When the Bonds are in a Daily Mode, Weekly Mode or Index Mode, interest on the Bonds shall be computed on the basis of a 365/366 day year for the number of days actually elapsed. When the Bonds are in a Term Mode or are Fixed Rate Bonds, interest on the Bonds will be calculated on the basis of a 360-day year and twelve (12) 30-day months.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate of \$24,000,000 (the "Bonds"), and is authorized, issued and sold by the City pursuant to and in strict conformity with the provisions of the Constitution and laws of said State, and the Charter of the City. The Board of Supervisors of the City (the "Board of Supervisors") authorized the issuance of the Bonds in Resolution No. __-15 adopted by the Board of Supervisors on May 19, 2015 which was signed by the Mayor on May __, 2015 (the "Resolution") and a Declaration of Trust executed by the Treasurer as of June 1, 2015 (the "Declaration of Trust").

The Bonds shall initially be issued bearing interest at the Index Rate, which is equal to the sum of (a) the LIBOR Index, (b) the Index Rate Spread and (c) applicable Ratings Spread, calculated as provided in Declaration of Trust.

The Bonds may be converted to Term Rate Bonds or to a Fixed Rate as provided in the Declaration of Trust. The term "Term Rate" means the highest of (i) U.S. Bank Prime Rate plus 1.50%; (ii) Federal Funds Rate plus 2.50%; or (iii) 7.50%, in each case, plus one percent (1%). The Fixed Rate will be determined based upon a remarketing of the Bonds. In the case of an Event of Default, the interest rate on unpaid amounts shall be the highest of (i) U.S. Bank Prime Rate plus 1.50%; (ii) Federal Funds Rate plus 2.50%; or (iii) 7.50%, in each case, plus two percent (2%).

The Bonds are issuable as fully registered bonds without coupons in Authorized Denominations, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series and maturity in authorized denominations. The term "Authorized Denomination" means (i) during any Daily Mode, Weekly Mode or Index Mode, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000; and (ii) during any Term Mode or while the Bonds bear interest at a Fixed Rate, \$5,000 or any integral multiple thereof.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at said office of the Treasurer, but only in the manner, subject to the limitations and upon payment of the charges provided in the Declaration of Trust, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same series and same aggregate principal amount will be issued to the transferee in exchange herefor.

The Bonds are subject to optional redemption as a whole or in part prior to maturity (i) on any date while the Bonds are in an Index Mode or a Term Mode and (ii) on the Fixed Rate Conversion Date at a redemption price equal to the principal amount thereof, without premium, plus accrued interest, if any, to the date fixed for redemption. The Bonds are further subject to redemption under the circumstances set forth in the Declaration of Trust.

Notice of redemption shall be given by mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the Registered Owner thereof, but neither failure to mail such notice or any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption, provided that notice of redemption will be given in accordance with the Declaration of Trust while the Initial Bondowner is the registered owner of all the Bonds.

The City shall have the right to provide a conditional notice of redemption to the Owner of any Bond and to rescind any optional redemption by written notice to the Owner of any Bond prior to the redemption date. Any notice of redemption shall be cancelled and annulled if for any reason funds are not or will not be available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. Notice of rescission of redemption shall be mailed in the same manner notice of redemption was originally provided. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption on any one date, the Treasurer shall select the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot in any manner which the Treasurer deems fair.

If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are subject to mandatory tender, but not in part, prior to maturity (i) on any date while the Bonds are in an Index Mode or a Term Mode and (ii) on the Term Rate Conversion Date (each, a Purchase Date”) at a purchase price equal to the principal amount thereof, without premium, plus accrued interest, if any, to the date fixed for redemption.

Notice of mandatory tender shall be given by mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the Registered Owner thereof, but neither failure to mail such notice or any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption, provided that notice of mandatory tender will be given in accordance with the Declaration of Trust while the Initial Bondowner is the registered owner of all the Bonds.

The City shall have the right to provide a conditional notice of mandatory tender to the Owner of any Bond and to rescind any mandatory tender by written notice to the Owner of any Bond prior to the Purchase Date. Any notice of mandatory tender shall be cancelled and annulled if for any reason funds are not or will not be available on the Purchase Date for the payment in full of the Bonds then noticed for mandatory tender redemption. Notice of rescission of mandatory tender shall be mailed in the same manner notice of mandatory tender was originally provided. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

The City may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the City shall not be affected by any notice to the contrary.

The Board of Supervisors hereby certifies and declares that the total amount of indebtedness of said City, including the amount of this Bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond, that this Bond is in the form prescribed by order of the Board of Supervisors duly made and entered on its minutes and shall be payable out of the interest and sinking fund of said City, and the money for the redemption of this Bond, and the payment of interest thereon, shall be raised by taxation upon the taxable property of said City.

This Bond shall not be entitled to any benefit under the Ordinance and the Declaration of Trust, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Treasurer.

IN WITNESS WHEREOF the Board of Supervisors of the City and County of San Francisco has caused this Bond to be executed with the official seal of the City and County of San Francisco and with the signature or a facsimile thereof by the Mayor of the City and County of San Francisco and the Treasurer, to be countersigned by the Clerk of said Board, which signature is to be countersigned by a Deputy Clerk of said Board all as of June __, 2015.

Mayor of the City and County
of San Francisco

[SEAL]

Treasurer of the City and County
of San Francisco

Countersigned:

Clerk of the Board of
Supervisors

Countersigned:

Deputy Clerk of the Board
of Supervisors

FORM OF TREASURER'S CERTIFICATE

OF AUTHENTICATION AND REGISTRATION TO APPEAR ON BONDS

This is one of the Bonds described in the within-mentioned Ordinance and authenticated and registered on June __, 2015.

TREASURER OF THE CITY AND COUNTY
OF SAN FRANCISCO

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Treasurer with full power of substitution in the premises.

Dated: _____

Signature Guarantee: _____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Tax ID Number: _____

[TRANSFER RESTRICTION – TO COME]

EXHIBIT B

FORM OF REPRESENTATION LETTER

REPRESENTATION LETTER

TO:

City and County of San Francisco
Controller's Office of Public Finance
1 Carlton B. Goodlett Place, Room 336
San Francisco, CA 94102

U.S. Bank National Association
15910 Ventura Blvd., Suite 1712
Encino, CA 91436

Re: \$_____ City and County of San Francisco Taxable General Obligation
Bonds (Seismic Safety Loan Program, 1992), Series 2015A

Ladies and Gentlemen:

The City and County of San Francisco (the "City") has authorized the issuance and the sale by the City to potential investors of the above-referenced City and County of San Francisco Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992), Series 2015A (the "Bonds"). The undersigned (the "Purchaser") has agreed to purchase the Bonds in the principal amount of \$_____ (the "Purchaser's Bonds") from the undersigned seller of those Bonds (the "Seller"). In connection with the purchase of the Purchaser's Bonds by the Purchaser from the Seller, the City requires that the Purchaser make certain representations, warranties and agreements relating to such purchase as to the Purchaser's willingness to accept the risks of investing in the Bonds, the Purchaser's investigation of such risks and other matters.

Accordingly, the Purchaser hereby represents, warrants and agrees as follows:

1. Representations and Warranties. In purchasing Bonds, the Purchaser understands that the City is relying on the following representations:

(a) The Purchaser is a "qualified institutional buyer," as defined in Rule 144A promulgated under the Securities Act, and is aware that the sale of the Bonds to such Purchaser is made in reliance on Rule 144A. Such acquisition will be for its own account or for the account over which it exercises sole investment discretion of another qualified institutional buyer.

(b) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal securities and other investment vehicles similar in character to the Bonds, to be able to evaluate the risks and merits of the investment represented by the purchase of Bonds, and to be able to evaluate the creditworthiness of the City and the credit quality of the Bonds.

(c) The Purchaser made its own inquiry and analysis with respect to the City, the security for the Bonds and the ability of the City to fulfill its obligations, with respect thereto.

(d) The Purchaser is purchasing the Bonds for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent (except if it is a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as described in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or in a fiduciary capacity), in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of the law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Bonds pursuant to an effective registration statement under the Securities Act, Rule 144A or any other exemption from registration available under the Securities Act. The Purchaser, by acceptance hereof, agrees to offer, sell or otherwise transfer the Bonds, on its own behalf and on behalf of any investor account for which it is purchasing Bonds, to offer, sell or otherwise transfer such Bonds (i) for so long as the Bonds are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to which notice is given that the transfer is being made in reliance on Rule 144A, (ii) pursuant to a registration statement which has been declared effective under the Securities Act or (iii) pursuant to any other available exemption from the registration requirements of the Securities Act, including under Rule 144, if available, subject in each of the foregoing cases to any requirements of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control.

(e) The Purchaser has adequate means to provide for current needs and personal contingencies, and has and will continue to have no need for liquidity from its investment in the Bonds. The Purchaser is capable of bearing the high degree of economic risks and burdens of this investment in the Bonds including, but not limited to, the possibility of complete loss of the entire investment in Bonds.

(f) The Purchaser is purchasing the Purchaser's Bonds for its own account and understands and acknowledges that there are restrictions placed on the transfer of the Purchaser's Bonds.

(g) The Purchaser, if it does resell the Purchaser's Bonds, (i) will sell only to another qualified institutional investor; (ii) will require the subsequent Purchaser to execute a Representation Letter in the form of this Representation Letter as a condition of transfer on the bond registration books maintained by the Trustee; and (iii) shall not assign or offer Bonds or any interest therein for sale without complying with all applicable securities laws.

2. Acknowledgments. In connection with its purchase of Bonds, the Purchaser understands and acknowledges the following to the City and the initial purchaser:

(a) The Purchaser has had access to information including financial statements and other financial information and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the condition of the City's finances and properties, and the Bonds so that, as a sophisticated investor, the Purchaser has been able to

make its decision to purchase Bonds and that no offering document, prospectus or official statement was prepared by or on behalf of the City in connection with the sale of the Bonds.

(b) The Purchaser acknowledges that neither Schiff Hardin LLP and Richards/Watson/Gershon, the City's bond counsel have made any representation regarding the quality, creditworthiness or liquidity of the Bonds.

(c) The Bonds (i) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws regulations of any state, (ii) will not be listed on any stock or other securities exchange, (iii) will not carry a rating from any rating service, (iv) contain substantial restrictions on transferability, and (v) may not be readily marketable.

Dated:

_____,
as Purchaser

By: _____
Authorized Signatory

The undersigned, as Seller of the Bonds referred to in this Representation Letter, hereby represents and warrants that it has complied with all applicable requirements of federal and state securities laws relating to the sale and offer of the Bonds to the Purchaser.

Dated:

_____,
as Seller

By: _____
Authorized Signatory

EXHIBIT C

SCHEDULE OF SINKING ACCOUNT PAYMENTS DURING TERM RATE PERIOD

[To Be Completed In Connection With The Term Rate Conversion Date]

EXHIBIT D

REDEMPTION PROVISIONS APPLICABLE TO FIXED RATE BONDS

Optional Redemption

Mandatory Redemption from Sinking Fund Installments

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