

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

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

18  
19 WHEREAS, By Resolution No. 34-14, adopted by the Board of Supervisors (the "Board  
20 of Supervisors") of the City and County of San Francisco (the "City") on February 4, 2014, and  
21 approved by the Mayor of the City (the "Mayor") on February 14, 2014, it was determined and  
22 declared that public interest and necessity demand the construction, acquisition,  
23 improvement, and retrofitting of earthquake safety and emergency responsiveness facilities  
24 and infrastructure, as therein described (the "Project"); and

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

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

14           WHEREAS, By Resolution No. 308-14, adopted by the Board of Supervisors on July  
15 29, 2014, and approved by the Mayor on August 7, 2014, the City was authorized to issue the  
16 first series of the Bonds, its General Obligation Bonds (Earthquake Safety and Emergency  
17 Response Bonds, 2014), Series 2014D in an aggregate principal amount not to exceed  
18 \$106,095,000, which Series 2014D Bonds were subsequently issued in the aggregate  
19 principal amount of \$100,670,000; and

20           WHEREAS, By Resolution No. 95-16, adopted by the Board of Supervisors on March  
21 22, 2016, and approved by the Mayor on March 23, 2016, the City was authorized to issue the  
22 second series of the Bonds, its General Obligation Bonds (Earthquake Safety and Emergency  
23 Response Bonds, 2014), Series 2016D in an aggregate principal amount not to exceed  
24 \$111,060,000, which Series 2016D Bonds were subsequently issued in the aggregate  
25 principal amount of \$109,595,000; and

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

3           WHEREAS, It is necessary and desirable to issue the third series of the Bonds, in an  
4 aggregate principal amount of the Bonds not to exceed \$189,735,000 (the “Series 2018C  
5 Bonds”), to finance a portion of the costs of the Project (as defined in the Authorizing  
6 Resolution); and

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

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

20           RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as  
21 follows:

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

23           Section 2.   Conditions Precedent. All conditions, things and acts required by law to  
24 exist, to happen and to be performed precedent to and in connection with the issuance of the  
25 Series 2018C Bonds exist, have happened and have been performed in due time, form and

1 manner in accordance with applicable law, and the City is now authorized pursuant to the  
2 Bond Election, the Authorizing Resolution, the Charter and applicable law to incur  
3 indebtedness in the manner and form provided in this Resolution.

4 Section 3. Documents. The documents presented to the Board of Supervisors and  
5 on file with the Clerk of the Board of Supervisors or designee thereof (the “Clerk of the Board  
6 of Supervisors”) are contained in File No. 180324.

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

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

21 The Director of Public Finance is further authorized to give the Series 2018C Bonds  
22 such additional or other series designation, or to modify such series designation, as may be  
23 necessary or appropriate to distinguish the Series 2018C Bonds from every other series of  
24 Bonds and from other bonds issued by the City.

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1           Section 5. Authentication and Registration of the Series 2018C Bonds. Each of the  
2 Series 2018C Bonds shall be in fully registered form without coupons in denominations of  
3 \$5,000 or any integral multiple of that amount. The officers of the City are directed to cause  
4 the Series 2018C Bonds to be prepared in sufficient quantity for delivery to or for the account  
5 of their purchaser and the Director of Public Finance is directed to cause the blanks in the  
6 Series 2018C Bonds to be completed in accordance with the Authorizing Resolution, this  
7 Resolution, and the Bond Award or Bond Purchase Contract (as defined below), to procure  
8 their execution by the proper officers of the City (including by facsimile signature if necessary  
9 or convenient, except that any signature for the Clerk of the Board of Supervisors shall be  
10 required to be by manual signature) and authentication as provided in this Section, and to  
11 deliver the Series 2018C Bonds when so executed and authenticated to the purchaser in  
12 exchange for the purchase price, all in accordance with the Authorizing Resolution.

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

20           Only Series 2018C Bonds bearing a certificate of authentication and registration  
21 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the  
22 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City  
23 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the  
24 Series 2018C Bonds so authenticated have been duly authenticated and delivered under, and  
25 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

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

4           Section 6.   Registration Books. The City Treasurer shall keep or cause to be kept, at  
5 the office of the City Treasurer or at the designated office of any registrar appointed by the  
6 City Treasurer, separate and sufficient books for the registration and transfer of Series 2018C  
7 Bonds, which books shall at all times be open to inspection, and upon presentation for such  
8 purpose, the City Treasurer shall, under such reasonable regulations as he or she may  
9 prescribe, register or transfer or cause to be registered or transferred, on such books, Series  
10 2018C Bonds as provided in this Resolution. The City and the City Treasurer may treat the  
11 registered owner of each Series 2018C Bond as its absolute owner for all purposes, and the  
12 City and the City Treasurer shall not be affected by any notice to the contrary.

13           Section 7.   Transfer or Exchange of Series 2018C Bonds. Any Series 2018C Bond  
14 may, in accordance with its terms, be transferred upon the books required to be kept pursuant  
15 to the provisions of Section 6, by the person in whose name it is registered, in person or by  
16 the duly authorized attorney of such person in writing, upon surrender of such Series 2018C  
17 Bond for cancellation, accompanied by delivery of a duly executed written instrument of  
18 transfer in a form approved by the City Treasurer.

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

22           Whenever any Series 2018C Bond shall be surrendered for transfer or exchange, the  
23 designated City officials shall execute (as provided in Section 5) and the City Treasurer shall  
24 authenticate and deliver a new Series 2018C Bond of the same interest rate and maturity in a  
25 like aggregate principal amount. The City Treasurer shall require the payment by any bond

1 owner requesting any such transfer of any tax or other governmental charge required to be  
2 paid with respect to such transfer or exchange.

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

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

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

11 (b) Payment of the Series 2018C Bonds. The principal of the Series 2018C Bonds  
12 shall be payable in lawful money of the United States of America to their owners, upon  
13 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on  
14 the Series 2018C Bonds shall be payable in like lawful money to the person whose name  
15 appears on the bond registration books of the City Treasurer as the owner as of the close of  
16 business on the last day of the month immediately preceding an interest payment date (the  
17 "Record Date"), whether or not such day is a Business Day (as defined below).

18 Except as may be otherwise provided in connection with any book-entry-only system  
19 applicable to the Series 2018C Bonds, payment of the interest on any Series 2018C Bond  
20 shall be made by check mailed on the interest payment date to such owner at such owner's  
21 address as it appears on the registration books as of the Record Date; provided, that if any  
22 interest payment date occurs on a day that banks in California or New York are closed for  
23 business or the New York Stock Exchange is closed for business, then such payment shall be  
24 made on the next succeeding day that banks in both California and New York are open for  
25 business and the New York Stock Exchange is open for business (each, a "Business Day");

1 and provided, further, that the registered owner of an aggregate principal amount of at least  
2 \$1,000,000 of Series 2018C Bonds may submit a written request to the City Treasurer on or  
3 before a Record Date preceding an interest payment date for payment of interest on the next  
4 succeeding interest payment date and thereafter by wire transfer to a commercial bank  
5 located within the United States of America.

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

10 (c) Interest on the Series 2018C Bonds. The Series 2018C Bonds shall bear  
11 interest at rates to be determined upon the sale of the Series 2018C Bonds, calculated on the  
12 basis of a 360-day year comprised of twelve 30-day months, payable on December 15, 2018  
13 (or such other date as may be designated in the Bond Award or Bond Purchase Contract),  
14 and semiannually thereafter on June 15 and December 15 of each year. Each Series 2018C  
15 Bond shall bear interest from the interest payment date next preceding the date of its  
16 authentication unless it is authenticated as of a day during the period from the Record Date  
17 next preceding any interest payment date to the interest payment date, inclusive, in which  
18 event it shall bear interest from such interest payment date, or unless it is authenticated on or  
19 before the first Record Date, in which event it shall bear interest from the Dated Date;  
20 provided, that if, at the time of authentication of any Series 2018C Bond, interest is in default  
21 on the Series 2018C Bonds, such Series 2018C Bond shall bear interest from the interest  
22 payment date to which interest has previously been paid or made available for payment on  
23 the Series 2018C Bonds or from the Dated Date if the first interest payment is not made.

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

4 (e) Mandatory Redemption. The Series 2018C Bonds shall be subject to  
5 mandatory redemption as shall be designated by the purchaser pursuant to the terms of the  
6 Official Notice of Sale or as designated in the Bond Purchase Contract, as applicable.  
7 The principal of and interest on the Series 2018C Bonds subject to mandatory redemption  
8 shall be paid from the Series 2018C Bond Subaccount established in Section 9, pursuant to  
9 the terms of Section 9. In lieu of any such mandatory redemption for Series 2018C Bonds, at  
10 any time prior to the selection of Series 2018C Bonds for mandatory redemption, the City may  
11 apply amounts on deposit in the Series 2018C Bond Subaccount to make such payment to  
12 the purchase, at public or private sale, of Series 2018C Bonds subject to such mandatory  
13 redemption, and when and at such prices not in excess of the principal amount thereof  
14 (including sales commission and other charges but excluding accrued interest), as the City  
15 may determine.

16 (f) Selection of Series 2018C Bonds for Redemption. Whenever less than all of the  
17 outstanding Series 2018C Bonds are called for redemption on any date, the Director of Public  
18 Finance will select the maturities of the Series 2018C Bonds to be redeemed in the sole  
19 discretion of the Director of Public Finance. Whenever less than all of the outstanding Series  
20 2018C Bonds maturing on any one date are called for redemption, the manner of selection of  
21 the portion of such Series 2018C Bonds called for redemption shall be as specified in the  
22 Official Statement for the Series 2018E Bonds.

23 (g) Notice of Redemption. The date on which Series 2018C Bonds that are called  
24 for redemption are to be presented for redemption is called the "Redemption Date." The City  
25 Treasurer shall mail, or cause to be mailed, notice of any redemption of Series 2018C Bonds,

1 postage prepaid, to the respective registered owners at the addresses appearing on the bond  
2 registration books not less than 20 nor more than 60 days prior to the Redemption Date. The  
3 notice of redemption shall: (i) state the Redemption Date; (ii) state the redemption price; (iii)  
4 state the maturity dates of the Series 2018C Bonds to be redeemed and, if less than all of any  
5 such maturity is called for redemption, the distinctive numbers of the Series 2018C Bonds of  
6 such maturity to be redeemed, and in the case of any Series 2018C Bonds to be redeemed in  
7 part only, the respective portions of the principal amount to be redeemed; (iv) state the CUSIP  
8 number, if any, of each Series 2018C Bond to be redeemed; (v) require that such Series  
9 2018C Bonds be surrendered by the owners at the office of the City Treasurer or his or her  
10 agent; and (vi) give notice that interest on such Series 2018C Bonds or portions of Series  
11 2018C Bonds to be redeemed will cease to accrue after the Redemption Date. Notice of  
12 optional redemption may be conditional upon receipt of funds or other event specified in the  
13 notice of redemption as provided in Section 8(j) below.

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

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

6           (h)     Series 2018C Redemption Account. At the time the Director of Public Finance  
7 determines to optionally call and redeem any of the Series 2018C Bonds, the Controller or his  
8 or her agent shall establish a redemption account to be described or known as the “General  
9 Obligation Bonds, Series 2018C Redemption Account” (the “Series 2018C Redemption  
10 Account”), and prior to or on the Redemption Date there must be set aside in the Series  
11 2018C Redemption Account moneys available for the purpose and sufficient to redeem, as  
12 provided in this Resolution, the Series 2018C Bonds designated in such notice of redemption,  
13 subject to the provisions of Section 8(j) below. Such moneys must be set aside in the Series  
14 2018C Redemption Account solely for the purpose of, and shall be applied on or after the  
15 Redemption Date to, payment of the redemption price of the Series 2018C Bonds to be  
16 redeemed upon presentation and surrender of such Series 2018C Bonds. Any interest due  
17 on or prior to the Redemption Date may be paid from the Series 2018C Bond Subaccount as  
18 provided in Section 9 or from the Series 2018C Redemption Account. Moneys held from time  
19 to time in the Series 2018C Redemption Account shall be invested by the City Treasurer  
20 pursuant to the City’s policies and guidelines for investment of moneys in the general fund  
21 (the “General Fund”) of the City. If, after all of the Series 2018C Bonds have been redeemed  
22 and canceled or paid and canceled, there are moneys remaining in the Series 2018C  
23 Redemption Account, such moneys shall be transferred to the General Fund of the City or to  
24 such other fund or account as required by applicable law; provided, that if such moneys are  
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1 part of the proceeds of refunding bonds, such moneys shall be transferred pursuant to the  
2 resolution authorizing such refunding bonds.

3 (i) Effect of Redemption. When notice of optional redemption has been given  
4 substantially as provided in this Resolution, and when the amount necessary for the  
5 redemption of the Series 2018C Bonds called for redemption (principal, premium, if any, and  
6 accrued interest to such Redemption Date) is set aside for that purpose in the Series 2018C  
7 Redemption Account, the Series 2018C Bonds designated for redemption shall become due  
8 and payable on the Redemption Date, and upon presentation and surrender of such Series  
9 2018C Bonds at the place specified in the notice of redemption, such Series 2018C Bonds  
10 shall be redeemed and paid at the redemption price out of the Series 2018C Redemption  
11 Account. No interest will accrue on such Series 2018C Bonds called for redemption after the  
12 Redemption Date and the registered owners of such Series 2018C Bonds shall look for  
13 payment of such Series 2018C Bonds only to the Series 2018C Redemption Account. All  
14 Series 2018C Bonds redeemed shall be canceled immediately by the City Treasurer and shall  
15 not be reissued.

16 (j) Conditional Notice of Redemption; Rescission of Redemption. Any notice of  
17 optional redemption given as provided in Section 8(g) may provide that such redemption is  
18 conditioned upon: (i) deposit in the Series 2018C Redemption Account of sufficient moneys to  
19 redeem the Series 2018C Bonds called for optional redemption on the anticipated  
20 Redemption Date, or (ii) the occurrence of any other event specified in the notice of  
21 redemption. If conditional notice of redemption has been given substantially as provided in  
22 this clause, and on the scheduled Redemption Date (A) sufficient moneys to redeem the  
23 Series 2018C Bonds called for optional redemption on the Redemption Date have not been  
24 deposited in the Series 2018C Redemption Account, or (B) any other event specified in the  
25 notice of redemption as a condition to the redemption has not occurred, then (1) the Series

1 2018C Bonds for which conditional notice of redemption was given shall not be redeemed on  
2 the anticipated Redemption Date and shall remain outstanding for all purposes of this  
3 Resolution, and (2) the redemption not occurring shall not constitute a default under this  
4 Resolution or the Authorizing Resolution.

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

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

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

19 On or prior to the date on which any payment of principal or interest on the Series  
20 2018C Bonds is due, including any Series 2018C Bonds subject to mandatory redemption on  
21 such date, the City Treasurer shall allocate to and deposit in the Series 2018C Bond  
22 Subaccount, from amounts held in the Bond Account, an amount which, when added to any  
23 available moneys contained in the Series 2018C Bond Subaccount, is sufficient to pay  
24 principal of and interest on the Series 2018C Bonds on such date.

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

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

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1           Section 10. Series 2018C Project Subaccount. There is established with the City  
2 Treasurer a special subaccount in the General Obligation Bonds (Earthquake Safety and  
3 Emergency Response Bonds, 2014) Project Account (the “Project Account”) created pursuant  
4 to the Authorizing Resolution to be designated the “General Obligation Bonds, Series 2018C  
5 Project Subaccount” (the “Series 2018C Project Subaccount”), to be held separate and apart  
6 from all other accounts of the City. All interest earned on amounts on deposit in the Series  
7 2018C Project Subaccount shall be retained in the Series 2018C Project Subaccount.  
8 Amounts in the Series 2018C Project Subaccount shall be expended in accordance with the  
9 provisions of the Authorizing Resolution for the acquisition, construction or reconstruction of  
10 the Project (as defined in the Authorizing Resolution).

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

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

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

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

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



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

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

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

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1 (b) Defeasance Securities (as herein defined) not subject to call, except as provided  
2 below in the definition thereof, maturing and paying interest at such times and in such  
3 amounts; together with interest earnings and cash, if required, as will, without reinvestment,  
4 as certified by an independent certified public accountant, be fully sufficient to pay the  
5 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,  
6 and any premium due on the Series 2018C Bonds to be paid or redeemed, as such principal  
7 and interest come due; provided, that, in the case of the Series 2018C Bonds which are to be  
8 redeemed prior to maturity, notice of such redemption shall be given as provided in Section 8  
9 hereof or an irrevocable election to give such notice shall have been made by the City; then,  
10 all obligations of the City with respect to such outstanding Series 2018C Bonds shall cease  
11 and terminate, except only the tax covenants under Section 26 and the obligation of the City  
12 to pay or cause to be paid from the funds deposited pursuant to clause (a) or (b) of this  
13 Section 12, to the owners of such Series 2018C Bonds all sums due with respect thereto; and  
14 provided further, that the City shall have received an opinion of nationally recognized bond  
15 counsel, that provision for the payment of such Series 2018C Bonds has been made in  
16 accordance with this Section 12.

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

- 20 (i) United States Obligations (as defined below); and  
21 (ii) Pre-refunded fixed interest rate municipal obligations meeting the  
22 following conditions: (A) the municipal obligations are not subject to redemption prior to  
23 maturity, or the trustee or paying agent has been given irrevocable instructions concerning  
24 their calling and redemption and the issuer has covenanted not to redeem such obligations  
25 other than as set forth in such instructions; (B) the municipal obligations are secured by cash

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

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

21 For purposes of this Section 12, "Rating Agencies" shall mean Moody's Investors  
22 Service, Fitch Ratings, and S&P Global Ratings, or any other nationally-recognized bond  
23 rating agency that is the successor to any of the foregoing rating agencies or that is otherwise  
24 established after the date hereof.

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1           Section 13. Sale of Series 2018C Bonds By Competitive or Negotiated Sale. The  
2 Board of Supervisors authorizes the sale of the Series 2018C Bonds by solicitation of  
3 competitive bids or by negotiated sale to one or more underwriters to be appointed in  
4 accordance with City policies, if so determined by the Director of Public Finance.

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

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

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

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1 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any  
2 and all bids received for any reason. The Controller is authorized to award the Series 2018C  
3 Bonds to the responsible bidder whose bid (i) is timely received and conforms to the Official  
4 Notice of Sale, except to the extent informalities and irregularities are waived by the City as  
5 permitted by the Official Notice of Sale; and (ii) represents the lowest true interest cost to the  
6 City in accordance with the procedures described in the Official Notice of Sale. The award, if  
7 made, shall be set forth in a certificate signed by the Controller setting forth the terms of the  
8 Series 2018C Bonds and the original purchasers (the “Bond Award”). The Controller shall  
9 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board of  
10 Supervisors and the Director of Public Finance; provided, that failure to provide such copy  
11 shall not affect the validity of the Bond Award.

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

22 Section 16. Authorization of Negotiated Sale; Authorization to Select Underwriters;  
23 Form of Bond Purchase Contract Approval. The Controller, in consultation with the Director of  
24 Public Finance, is hereby authorized to conduct the sale of the Series 2018C Bonds by  
25 negotiated sale pursuant to one or more Bond Purchase Contracts (each, a “Bond Purchase

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

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

23 Section 18. Preliminary Official Statement and Official Statement. The form of  
24 proposed Preliminary Official Statement describing the Series 2018C Bonds (the “Preliminary  
25 Official Statement”) submitted to the Board of Supervisors is approved and adopted as the

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

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

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

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

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

19           Section 23. Accountability Reports. The Series 2018C Bonds are subject to  
20 accountability requirements under the Administrative Code and the Bond Ordinance. The  
21 deadline for submission of the Accountability report(s) under Administrative Code Sections  
22 2.71(a) and 2.71(b) are hereby waived with respect to the Series 2018C Bonds.  
23 Accountability report(s) with respect to the Series 2018C Bonds shall be submitted in all other  
24 respects in the manner required by the Administrative Code and the Bond Ordinance.

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

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

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

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

17           “Closing Date” means the date on which the Series 2018C Bonds are first  
18 authenticated and delivered to the initial purchasers against payment therefor.

19           “Code” means the Internal Revenue Code of 1986, as amended by all legislation, if  
20 any, effective on or before the Closing Date.

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

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

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

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

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

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

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

14           “Yield” of:

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

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

19           (b)     Not to Cause Interest to Become Taxable. The City shall not use, permit the  
20 use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition,  
21 construction or improvement of which is to be financed directly or indirectly with Gross  
22 Proceeds) in a manner which if made or omitted, respectively, would cause the interest on  
23 any Bond to become includable in the gross income, as defined in Section 61 of the Code, of  
24 the owner thereof for federal income tax purposes. Without limiting the generality of the  
25 foregoing, unless and until the City receives a written opinion of counsel nationally recognized

1 in the field of municipal bond law to the effect that failure to comply with such covenant will not  
2 adversely affect the exemption from federal income tax of the interest on any Bond, the City  
3 shall comply with each of the specific covenants in this Section.

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

7 (i) exclusively own, operate and possess all property, the acquisition,  
8 construction or improvement of which is to be financed or refinanced directly or indirectly with  
9 Gross Proceeds of the Series 2018C Bonds, and not use or permit the use of such Gross  
10 Proceeds (including all contractual arrangements with terms different than those applicable to  
11 the general public) or any property acquired, constructed or improved with such Gross  
12 Proceeds in any activity carried on by any person or entity (including the United States or any  
13 agency, department and instrumentality thereof) other than a state or local government,  
14 unless such use is solely as a member of the general public; and

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

21 (d) No Private Loan. Except to the extent permitted by Section 141 of the Code and  
22 the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Series  
23 2018C Bonds to make or finance loans to any person or entity other than a state or local  
24 government. For purposes of the foregoing covenant, such Gross Proceeds are considered  
25 to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such

1 Gross Proceeds is sold or leased to such person or entity in a transaction which creates a  
2 debt for federal income tax purposes; (ii) capacity in or service from such property is  
3 committed to such person or entity under a take-or-pay, output or similar contract or  
4 arrangement; or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross  
5 Proceeds or any property acquired, constructed or improved with such Gross Proceeds are  
6 otherwise transferred in a transaction which is the economic equivalent of a loan.

7 (e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of  
8 the Code and the Regulations and rulings thereunder, the City shall not at any time prior to  
9 the final stated maturity of the Series 2018C Bonds directly or indirectly invest Gross  
10 Proceeds in any Investment, if as a result of such investment the Yield of any Investment  
11 acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the Yield  
12 of the Series 2018C Bonds.

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

17 (g) Information Report. The City shall timely file the information required by Section  
18 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and  
19 in such place as the Secretary may prescribe.

20 (h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section  
21 148(f) of the Code and the Regulations and rulings thereunder:

22 (i) The City shall account for all Gross Proceeds (including all receipts,  
23 expenditures and investments thereof) on its books of account separately and apart from all  
24 other funds (and receipts, expenditures and investments thereof) and shall retain all records  
25 of accounting for at least six years after the day on which the last outstanding Bond is

1 discharged. However, to the extent permitted by law, the City may commingle Gross  
2 Proceeds of the Series 2018C Bonds with other money of the City; provided that the City  
3 separately accounts for each receipt and expenditure of Gross Proceeds and the obligations  
4 acquired therewith.

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

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

22 (iv) The City shall exercise reasonable diligence to assure that no errors are  
23 made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is  
24 made, to discover and promptly correct such error within a reasonable amount of time  
25 thereafter (and in all events within 180 days after discovery of the error), including payment to

1 the United States of any additional Rebate Amount owed to it, interest thereon, and any  
2 penalty imposed under Section 1.148-3(h) of the Regulations.

3 (v) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of  
4 the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to  
5 the final payment on the Series 2018C Bonds, enter into any transaction that reduces the  
6 amount required to be paid to the United States pursuant to Section 26(h) above because  
7 such transaction results in a smaller profit or a larger loss than would have resulted if the  
8 transaction had been at arm's length and had the Yield of the Series 2018C Bonds not been  
9 relevant to either party.

10 Section 27. General Authority. The Clerk of the Board of Supervisors, the Mayor, the  
11 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each  
12 authorized and directed in the name and on behalf of the City to take any and all steps and to  
13 issue, deliver or enter into any and all certificates, requisitions, agreements, notices, consents,  
14 and other documents as may be necessary to give effect to the provisions of this Resolution,  
15 including but not limited to tax compliance certificates and letters of representations to any  
16 depository or depositories, which they or any of them might deem necessary or appropriate in  
17 order to consummate the lawful issuance, sale and delivery of the Series 2018C Bonds. Any  
18 such actions are solely intended to further the purposes of this Resolution, and are subject in  
19 all respects to the terms of this Resolution. No such actions shall increase the risk to the City  
20 or require the City to spend any resources not otherwise granted herein. Final versions of any  
21 such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the  
22 official file within 30 days (or as soon thereafter as final documents are available) of execution  
23 by all parties.

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1 APPROVED AS TO FORM:  
2 DENNIS J. HERRERA, City Attorney

3  
4 By \_\_\_\_\_  
5 KENNETH D. ROUX  
6 Deputy City Attorney  
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EXHIBIT A  
FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE OF THIS BOND FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

Number Principal Amount

R-\_\_ UNITED STATES OF AMERICA \$\_\_\_\_\_  
STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO  
TAX-EXEMPT GENERAL OBLIGATION BONDS  
(PUBLIC HEALTH AND SAFETY, 2016)  
SERIES 2018E

Interest Rate Maturity Date Dated Date CUSIP Number  
\_\_\_\_\_

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: \_\_\_\_\_

The City and County of San Francisco, State of California (the "City"), acknowledges itself indebted to and promises to pay to the Registered Owner specified above or registered assigns, on the Maturity Date specified above, the Principal Amount of this Bond specified above in lawful money of the United States of America, and to pay interest on the Principal Amount in like lawful money from the Interest Payment Date (as defined below) next



1 preceding the date of authentication of this Bond (unless this Bond is authenticated as of the  
2 day during the period from the last day of the month immediately preceding any Interest  
3 Payment Date (the "Record Date") to such Interest Payment Date, inclusive, in which event it  
4 shall bear from such Interest Payment Date, or unless this Bond is authenticated on or before  
5 \_\_\_\_\_, \_\_\_\_, in which event it shall bear interest from its Dated Date (specified above)  
6 until payment of such Principal Amount, at the Interest Rate per year specified above  
7 calculated on the basis of a 360-day year comprised of twelve 30-day months, payable on  
8 December 15, 2018 and semiannually thereafter on June 15 and December 15 in each year  
9 (each, an "Interest Payment Date"); provided, that if any Interest Payment Date occurs on a  
10 day that banks in California or New York are closed for business or the New York Stock  
11 Exchange is closed for business, then such payment shall be made on the next succeeding  
12 day that banks in both California and New York are open for business and the New York  
13 Stock Exchange is open for business (a "Business Day"). The Principal Amount of this Bond  
14 is payable to the Registered Owner of this Bond upon the surrender of this Bond at the office  
15 of the Treasurer of the City (the "City Treasurer") in San Francisco, California. The interest on  
16 this Bond is payable to the person whose name appears on the Bond registration books of the  
17 City Treasurer as the Registered Owner of this Bond as of the close of business on the  
18 Record Date immediately preceding an Interest Payment Date, whether or not such day is a  
19 Business Day, such interest to be paid by check mailed on the Interest Payment Date to such  
20 Registered Owner at the owner's address as it appears on such registration books; provided,  
21 that the Registered Owner of Bonds in an aggregate principal amount of at least \$1,000,000  
22 may submit a written request to the City Treasurer on or before the Record Date preceding  
23 any Interest Payment Date for payment of interest by wire transfer to a commercial bank  
24 located in the United States of America.  
25 ///

1           This Bond is one of a duly authorized issue of Bonds (the “Bonds”) of like tenor (except  
2 to such variations, if any, as may be required to designate varying numbers, denominations,  
3 interest rates and maturities), in the aggregate principal amount of \$\_\_\_\_\_, which is part  
4 of a bond authorization in the aggregate original principal amount of \$400,000,000 authorized  
5 by the affirmative votes of more than two-thirds of the voters voting at a special election duly  
6 and legally called, held and conducted in the City on June 3, 2014 and is issued and sold by  
7 the City pursuant to and in strict conformity with the provisions of the Constitution and laws of  
8 the State of California, the Charter of the City and Resolution No. 313-14, adopted by the  
9 Board of Supervisors of the City (the “Board of Supervisors”) on July 29, 2014, and duly  
10 approved by the Mayor of the City on August 7, 2014, and Resolution No. \_\_\_\_\_, adopted by  
11 the Board of Supervisors on \_\_\_\_\_, and duly approved by the Mayor of the City on  
12 \_\_\_\_\_ (together with the related Certificate Awarding the Bonds and Fixing Definitive  
13 Interest Rates for the Bonds, dated \_\_\_\_\_, 2018, the “Resolutions”).

14           The Bonds are issuable as fully registered bonds without coupons in the denominations  
15 of \$5,000 or any integral multiple of such amount, provided that no Bond shall have principal  
16 maturing on more than one principal maturity date. Subject to the limitations and conditions  
17 and upon payment of the charges, if any, as provided in the Resolutions, the Bonds may be  
18 exchanged for a like aggregate principal amount of Bonds of other authorized denominations  
19 of the same interest rate and maturity.

20           This Bond is transferable by its Registered Owner, in person or by its attorney duly  
21 authorized in writing, at the office of the City Treasurer, but only in the manner, subject to the  
22 limitations and upon payment of the charges provided in the Resolutions, and upon surrender  
23 and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized  
24 denomination or denominations for the same interest rate and same aggregate principal  
25 amount will be issued to the transferee in exchange for this Bond.

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

5 Bonds maturing on and before June 15, 20\_\_, will not be subject to optional  
6 redemption prior to their respective maturity dates. The Bonds maturing on or after June 15,  
7 20\_\_ will be subject to optional redemption prior to their respective stated maturity dates, at  
8 the option of the City, from any source of available funds, as a whole or in part on any date  
9 (with the maturities to be redeemed to be determined by the City and by lot within a maturity),  
10 on or after June 15, 20\_\_, at the redemption price equal to the principal amount of the Bonds  
11 redeemed, together with accrued interest to the date fixed for redemption, without premium. If  
12 less than all of the outstanding Bonds are to be redeemed, they may be redeemed in any  
13 order of maturity as determined by the Director of Finance. If less than all of the outstanding  
14 Bonds of a maturity are to be redeemed, the Bonds or portions of Bonds of such maturity to  
15 be redeemed shall be selected Director of Public Finance, in authorized denominations of  
16 \$5,000 or integral multiples of that amount, from among Bonds of that maturity not previously  
17 called for redemption, by lot, in any manner which the Director of Public Finance deems fair.

18 Bonds maturing on June 15, 20\_\_, are subject to mandatory sinking fund redemption  
19 on June 15 of each of the years 20\_\_ through 20\_\_, inclusive, and at maturity in the  
20 respective amount provided in the [Official Notice of Sale/the Bond Purchase Contract] for the  
21 Bonds.

22 Bonds maturing on June 15, 20\_\_, are subject to mandatory sinking fund redemption  
23 on June 15 of each of the years 20\_\_ through 20\_\_, inclusive, and at maturity in the  
24 respective amount provided in the [Official Notice of Sale/the Bond Purchase Contract] for the  
25 Bonds.

1 Notice of the redemption of Bonds which by their terms shall have become subject to  
2 redemption shall be given or caused to be given to the Registered Owner of each Bond or  
3 portion of a Bond called for redemption not less than 20 or more than 60 days before any date  
4 established for redemption of Bonds, by the City Treasurer on behalf of the City, first class  
5 mail, postage prepaid, sent to the Registered Owner's last address, if any, appearing on the  
6 registration books kept by the City Treasurer. Official notices of redemption will contain the  
7 information specified in the Resolutions.

8 Official notice of redemption having been given as aforesaid, the Bonds or portions of  
9 Bonds so to be redeemed shall, on the date fixed for redemption, become due and payable at  
10 the redemption price therein specified, and from and after such date (unless such redemption  
11 and notice of it shall have been rescinded or unless the City shall default in the payment of the  
12 redemption price), such Bonds or portions of Bonds shall cease to bear interest. Neither the  
13 failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular  
14 Registered Owner, shall affect the sufficiency of such notice with respect to other Bonds.

15 Notice of redemption, or notice of rescission of an optional redemption, having been  
16 properly given, failure of a Registered Owner to receive such notice shall not be deemed to  
17 invalidate, limit or delay the effect of the notice or redemption action described in the notice.

18 Any notice of optional redemption may provide that such redemption is conditional  
19 upon occurrence of a specified event, as provided in the Resolutions. In the event that such  
20 conditional notice of optional redemption has been given, and on the date fixed for redemption  
21 such condition has not been satisfied, the Bonds for which notice of conditional optional  
22 redemption was given shall not be redeemed and shall remain Outstanding for all purposes of  
23 the Resolutions and the redemption not occurring shall not constitute an event of default  
24 under the Resolutions.

25 ///

1           The City may rescind any optional redemption and notice of it for any reason on any  
2 date prior to any Redemption Date by causing written notice of the rescission to be given to  
3 the owners of all Bonds so called for redemption. Notice of any such rescission of redemption  
4 shall be given in the same manner notice of redemption was originally given.

5           The actual receipt by the owner of any Bond of notice of such rescission shall not be a  
6 condition precedent to rescission, and failure to receive such notice or any defect in such  
7 notice so mailed shall not affect the validity of the rescission.

8           The City and the City Treasurer may treat the Registered Owner of this Bond as the  
9 absolute owner of this Bond for all purposes, and the City and the City Treasurer shall not be  
10 affected by any notice to the contrary.

11           The City Treasurer may appoint agents to serve as bond registrar or paying agent, as  
12 provided in the Resolutions.

13           The Board of Supervisors certifies, recites and declares that the total amount of  
14 indebtedness of the City, including the amount of this Bond, is within the limit provided by law,  
15 that all acts, conditions and things required by law to be done or performed precedent to and  
16 in the issuance of this Bond have been done and performed in strict conformity with the laws  
17 authorizing the issuance of this Bond, that this Bond is in the form prescribed by order of the  
18 Board of Supervisors duly made and entered on its minutes, and the money for the payment  
19 of principal of this Bond, and the payment of interest thereon, shall be raised by taxation upon  
20 the taxable property of the City as provided in the Resolutions.

21           This Bond shall not be entitled to any benefit under the Resolutions, or become valid or  
22 obligatory for any purpose, until the certificate of authentication and registration on this Bond  
23 shall have been signed by the City Treasurer.

24    ///

25    ///

1           This Bond shall not be entitled to any benefit under the Resolutions, or become valid or  
2 obligatory for any purpose, until the certificate of authentication and registration on this Bond  
3 shall have been signed by the City Treasurer.

4           IN WITNESS WHEREOF the Board of Supervisors has caused this Bond to be  
5 executed by the Mayor of the City and to be countersigned by the Clerk of the Board of  
6 Supervisors, all as of \_\_\_\_\_.

7

8

\_\_\_\_\_  
Mark Farrell,  
Mayor of the City and  
County of San Francisco

9

10

11   Countersigned:

12

13   \_\_\_\_\_  
Clerk of the Board of Supervisors

14

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1 **ASSIGNMENT**

2 FOR VALUE RECEIVED the undersigned do(es) hereby sell, assign and transfer unto

3  
4 \_\_\_\_\_  
5 \_\_\_\_\_

6 **(Please print or typewrite Name, Address, and Tax Identification or Social**  
7 **Security Number of Assignee/Transferee)**

8 the within-mentioned registered bond and all rights thereunder and hereby irrevocably  
9 constitute(s) and appoint(s) \_\_\_\_\_ attorney to  
10 transfer the same on the books of the paying agent with full power of substitution in the  
11 premises.

12 Dated: \_\_\_\_\_

13 NOTICE: The signature to this assignment  
14 must correspond with the name as it appears  
15 upon the face of the within bond in every  
16 particular, without altercation or enlargement  
17 or any change whatsoever.

18 Signature Guaranteed:  
19 \_\_\_\_\_

20 Signature(s) must be guaranteed by a national bank or  
21 trust company or by a brokerage firm having a membership  
22 in one of the major stock exchanges and who is a member of  
23 a Medallion Signature Program.