

1 [Sale of Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016), Series
2 2018E - Not to Exceed \$52,500,000]

3 **Resolution authorizing the issuance and sale of not to exceed \$52,500,000 aggregate**
4 **principal amount of City and County of San Francisco Tax-Exempt General Obligation**
5 **Bonds (Public Health and Safety, 2016), Series 2018E; prescribing the form and terms**
6 **of such bonds; providing for the appointment of depositories and other agents for**
7 **such bonds; providing for the establishment of accounts and/or subaccounts related to**
8 **such bonds; authorizing the sale of such bonds by competitive or negotiated sale;**
9 **approving the forms of the Official Notice of Sale and Notice of Intention to Sell Bonds**
10 **and directing the publication of the Notice of Intention to Sell Bonds; approving the**
11 **form of the Bond Purchase Contract; approving the form of the Preliminary Official**
12 **Statement and the execution of the Official Statement relating to the sale of such**
13 **bonds; approving the form of the Continuing Disclosure Certificate; authorizing and**
14 **approving modifications to such documents; ratifying certain actions previously taken,**
15 **as defined herein; and granting general authority to City Officials to take necessary**
16 **actions in connection with the authorization, issuance, sale, and delivery of such**
17 **bonds, as defined herein.**

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19 WHEREAS, By Resolution No. 50-16 adopted by the Board of Supervisors (the “Board
20 of Supervisors”) of the City and County of San Francisco (the “City”) on February 9, 2016, and
21 approved by the Mayor of the City (the “Mayor”) on February 18, 2016, it was determined and
22 declared that public interest and necessity demand the rehabilitation, improvement and
23 seismic upgrade of public health and safety facilities, including making seismic upgrades and
24 improvements to the Pricilla Chan and Mark Zuckerberg San Francisco General Hospital
25 campus; the renovation of and construction of a new addition to the South East Health Center;

1 the improvement of high-demand community health centers with the expansion of and access
2 to mental health, urgent care, substance abuse, dental, and social services; the construction
3 of a seismically safe Ambulance Deployment Facility; and the modernization and upgrade of
4 neighborhood fire stations Citywide; and the improvement and increased capacity of facilities
5 to better serve homeless individuals and families at City-owned shelters and homeless service
6 sites; and the payment of related costs necessary or convenient for the foregoing purposes;
7 and

8 WHEREAS, By Ordinance No. 22-16 adopted by the Board of Supervisors on February
9 23, 2016, and approved by the Mayor on February 26, 2016 (the “Bond Ordinance”), the
10 Board of Supervisors duly called a special election to be held on June 7, 2016, for the
11 purpose of submitting to the qualified voters of the City a proposition to incur bonded
12 indebtedness of the City in the amount of \$350,000,000, to finance the construction,
13 acquisition, improvement, seismic strengthening and betterment of critical community and
14 mental health, emergency response and safety, and homeless shelter and service facilities
15 and related costs necessary or convenient for the foregoing purposes, as described therein
16 (collectively, the “Project”, as also defined in the hereinafter defined Authorizing Resolution);
17 and

18 WHEREAS, A special election was held in the City on June 7, 2016 (the “Bond
19 Election”), for the purpose of submitting to the qualified voters of the City such proposition and
20 such proposition was approved by two-thirds of the qualified voters of the City voting on such
21 proposition, and declaration of such Bond Election results was made by the Board of
22 Supervisors pursuant to Resolution No. 286-16, adopted by the Board of Supervisors of the
23 City on July 12, 2016, and approved by the Mayor on July 20, 2016; and

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1 WHEREAS, By Resolution No. 514-16 (the “Authorizing Resolution”), adopted by the
2 Board of Supervisors on December 6, 2016, and approved by the Mayor on December 16,
3 2016, the City authorized the issuance of the City and County of San Francisco Taxable and
4 Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016) (the “Bonds”) in the
5 amount of \$350,000,000; and

6 WHEREAS, By Resolution No. 515-16, adopted by the Board of Supervisors on
7 December 6, 2016, and approved by the Mayor on December 16, 2016, the City was
8 authorized to issue the first series of the Bonds, its General Obligation Bonds (Public Health
9 and Safety, 2016), Series 2017A in an aggregate principal amount not to exceed
10 \$176,000,000, which Series 2017A Bonds were subsequently issued in the aggregate
11 principal amount of \$173,120,000; and

12 WHEREAS, The City has issued and sold, to date, a total of \$173,120,000 of the
13 Bonds, and there remains \$176,880,000 of authorized and unissued Bonds; and

14 WHEREAS, It is necessary and desirable to issue the second series of the Bonds, in
15 an aggregate principal amount of the Bonds not to exceed \$52,500,000 (the “Series 2018E
16 Bonds”), to finance a portion of the costs of the Project;

17 WHEREAS, The Series 2018E Bonds are being issued pursuant to the Authorizing
18 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
19 Code (the “Government Code”), the Charter of the City (the “Charter”), the Bond Ordinance
20 and the Bond Election; and

21 WHEREAS, Pursuant to the applicable provisions of the San Francisco Administrative
22 Code (the “Administrative Code”) Sections 5.30-5.36, the Citizens’ General Obligation Bond
23 Oversight Committee shall conduct an annual review of bond spending and shall provide an
24 annual report on the management of the program to the Mayor and the Board of Supervisors,
25 and, to the extent permitted by law, one-tenth of one percent (0.1%) of the gross proceeds of

1 the Series 2018E Bonds shall be deposited in a fund established by the Office of the City
2 Controller (the “Controller”) and appropriated by the Board of Supervisors at the direction of
3 the Citizens’ General Obligation Bond Oversight Committee to cover the costs of such
4 committee and its review process; now, therefore, be it

5 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
6 follows:

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

8 Section 2. Conditions Precedent. All conditions, things and acts required by law to
9 exist, to happen and to be performed precedent to and in connection with the issuance of the
10 Series 2018E Bonds exist, have happened and have been performed in due time, form and
11 manner in accordance with applicable law, and the City is now authorized pursuant to the
12 Bond Election, the Authorizing Resolution, the Charter and applicable law to incur
13 indebtedness in the manner and form provided in this Resolution.

14 Section 3. Documents. The documents presented to the Board of Supervisors and
15 on file with the Clerk of the Board of Supervisors or designee thereof (the “Clerk of the Board
16 of Supervisors”) are contained in File No. 180326.

17 Section 4. Issuance and Sale of Series 2018E Bonds; Determination of Certain
18 Terms; Designation. The Board of Supervisors authorizes the issuance and sale of not to
19 exceed \$52,500,000 in aggregate principal amount of Bonds to be designated as “City and
20 County of San Francisco Tax-Exempt General Obligation Bonds (Public Health and Safety,
21 2016), Series 2018E,” for the purposes set forth in the Bond Ordinance and Proposition A
22 approved by the voters at the Bond Election.

23 The Director of Public Finance of the City or a designee thereof (the “Director of Public
24 Finance”) is authorized to determine, for the Series 2018E Bonds, the sale date, the interest
25 rates, the definitive principal amount, the maturity dates and the redemption dates, if any, and

1 the terms of any optional or mandatory redemption, subject to the other specific provisions of
2 this Resolution, including the following terms and conditions: (a) the Series 2018E Bonds shall
3 not have a true interest cost (as such term is defined in the Official Notice of Sale (as defined
4 in Section 14) for the Series 2018E Bonds) in excess of 12%; and (b) the Series 2018E Bonds
5 shall not have a final maturity date more than 30 years from their date of issuance. The
6 Director of Public Finance is further authorized to give the Series 2018E Bonds such
7 additional or other series designation, or to modify such series designation, as may be
8 necessary or appropriate to distinguish the Series 2018E Bonds from every other series of
9 Bonds and from other bonds issued by the City.

10 Section 5. Authentication and Registration of the Series 2018E Bonds. Each of the
11 Series 2018E Bonds shall be in fully registered form without coupons in denominations of
12 \$5,000 or any integral multiple of that amount. The officers of the City are directed to cause
13 the Series 2018E Bonds to be prepared in sufficient quantity for delivery to or for the account
14 of their purchaser and the Director of Public Finance is directed to cause the blanks in the
15 Series 2018E Bonds to be completed in accordance with the Authorizing Resolution, this
16 Resolution and the Bond Award or Bond Purchase Contract (as defined below), to procure
17 their execution by the proper officers of the City (including by facsimile signature if necessary
18 or convenient, except that any signature of the Clerk of the Board of Supervisors shall be by
19 manual signature) and authentication as provided in this Section, and to deliver the Series
20 2018E Bonds when so executed and authenticated to the purchaser in exchange for the
21 purchase price, all in accordance with the Authorizing Resolution.

22 The Series 2018E Bonds and the certificate of authentication and registration, to be
23 manually executed by the Treasurer of the City or designee thereof (the "City Treasurer"), and
24 the form of assignment to appear on the Series 2018E Bonds shall be substantially in the form
25 attached as Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and

1 which is declared to be a part of this Resolution as if fully set forth in this Resolution), with
2 necessary or appropriate variations, omissions and insertions as permitted or required by this
3 Resolution.

4 Only Series 2018E Bonds bearing a certificate of authentication and registration
5 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
6 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City
7 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
8 Series 2018E Bonds so authenticated have been duly authenticated and delivered under, and
9 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

10 The Controller shall assign a distinctive letter, or number, or letter and number to each
11 Series 2018E Bond authenticated and registered by the City Treasurer and shall maintain a
12 record thereof which shall be available for inspection.

13 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
14 the office of the City Treasurer or at the designated office of any registrar appointed by the
15 City Treasurer, separate and sufficient books for the registration and transfer of Series 2018E
16 Bonds, which books shall at all times be open to inspection, and upon presentation for such
17 purpose, the City Treasurer shall, under such reasonable regulations as he or she may
18 prescribe, register or transfer or cause to be registered or transferred, on such books, Series
19 2018E Bonds as provided in this Resolution. The City and the City Treasurer may treat the
20 registered owner of each Series 2018E Bond as its absolute owner for all purposes, and the
21 City and the City Treasurer shall not be affected by any notice to the contrary.

22 Section 7. Transfer or Exchange of Series 2018E Bonds. Any Series 2018E Bond
23 may, in accordance with its terms, be transferred upon the books required to be kept pursuant
24 to the provisions of Section 6, by the person in whose name it is registered, in person or by
25 the duly authorized attorney of such person in writing, upon surrender of such Series 2018E

1 Bond for cancellation, accompanied by delivery of a duly executed written instrument of
2 transfer in a form approved by the City Treasurer.

3 Any Series 2018E Bond may be exchanged at the office of the City Treasurer for a like
4 aggregate principal amount of other authorized denominations of the same interest rate and
5 maturity.

6 Whenever any Series 2018E Bond shall be surrendered for transfer or exchange, the
7 designated City officials shall execute (as provided in Section 5) and the City Treasurer shall
8 authenticate and deliver a new Series 2018E Bond of the same interest rate and maturity in a
9 like aggregate principal amount. The City Treasurer shall require the payment by any bond
10 owner requesting any such transfer of any tax or other governmental charge required to be
11 paid with respect to such transfer or exchange.

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

16 Section 8. Terms of the Series 2018E Bonds; General Redemption Provisions.

17 (a) Date of the Series 2018E Bonds. The Series 2018E Bonds shall be dated the
18 date of their delivery or such other date (the "Dated Date") as is specified in the Bond Award
19 or the Bond Purchase Contract.

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1 (b) Payment of the Series 2018E Bonds. The principal of the Series 2018E Bonds
2 shall be payable in lawful money of the United States of America to their owners, upon
3 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on
4 the Series 2018E Bonds shall be payable in like lawful money to the person whose name
5 appears on the bond registration books of the City Treasurer as the owner as of the close of
6 business on the last day of the month immediately preceding an interest payment date (the
7 “Record Date”), whether or not such day is a Business Day (as defined below).

8 Except as may be otherwise provided in connection with any book-entry-only system
9 applicable to the Series 2018E Bonds, payment of the interest on any Series 2018E Bond
10 shall be made by check mailed on the interest payment date to such owner at such owner’s
11 address as it appears on the registration books as of the Record Date; provided, that if any
12 interest payment date occurs on a day that banks in California or New York are closed for
13 business or the New York Stock Exchange is closed for business, then such payment shall be
14 made on the next succeeding day that banks in both California and New York are open for
15 business and the New York Stock Exchange is open for business (each, a “Business Day”);
16 and provided, further, that the registered owner of an aggregate principal amount of at least
17 \$1,000,000 of Series 2018E Bonds may submit a written request to the City Treasurer on or
18 before a Record Date preceding an interest payment date for payment of interest on the next
19 succeeding interest payment date and thereafter by wire transfer to a commercial bank
20 located within the United States of America.

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

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

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

18 (e) Mandatory Redemption. The Series 2018E Bonds shall be subject to mandatory
19 redemption as shall be designated by the purchaser pursuant to the terms of the Official
20 Notice of Sale or as designated in the Bond Purchase Contract, as applicable.

21 The principal of and interest on the Series 2018E Bonds subject to mandatory
22 redemption shall be paid from the Series 2018E Bond Subaccount established in Section 9,
23 pursuant to the terms of Section 9. In lieu of any such mandatory redemption for Series
24 2018E Bonds, at any time prior to the selection of Series 2018E Bonds for mandatory
25 redemption, the City may apply amounts on deposit in the Series 2018E Bond Subaccount to

1 make such payment to the purchase, at public or private sale, of Series 2018E Bonds subject
2 to such mandatory redemption, and when and at such prices not in excess of the principal
3 amount thereof (including sales commission and other charges but excluding accrued
4 interest), as the City may determine.

5 (f) Selection of Series 2018E Bonds for Redemption. Whenever less than all of the
6 outstanding Series 2018E Bonds are called for redemption on any date, the Director of Public
7 Finance will select the maturities of the Series 2018E Bonds to be redeemed in the sole
8 discretion of the Director of Public Finance. Whenever less than all of the outstanding Series
9 2018E Bonds maturing on any one date are called for redemption, the manner of selection of
10 the portion of such Series 2018E Bonds called for redemption shall be as specified in the
11 Official Statement for the Series 2018E Bonds.

12 (g) Notice of Redemption. The date on which Series 2018E Bonds that are called
13 for redemption are to be presented for redemption is called the "Redemption Date." The City
14 Treasurer shall mail, or cause to be mailed, notice of any redemption of Series 2018E Bonds,
15 postage prepaid, to the respective registered owners at the addresses appearing on the bond
16 registration books not less than 20 nor more than 60 days prior to the Redemption Date. The
17 notice of redemption shall: (i) state the Redemption Date; (ii) state the redemption price; (iii)
18 state the maturity dates of the Series 2018E Bonds to be redeemed and, if less than all of any
19 such maturity is called for redemption, the distinctive numbers of the Series 2018E Bonds of
20 such maturity to be redeemed, and in the case of any Series 2018E Bonds to be redeemed in
21 part only, the respective portions of the principal amount to be redeemed; (iv) state the CUSIP
22 number, if any, of each Series 2018E Bond to be redeemed; (v) require that such Series
23 2018E Bonds be surrendered by the owners at the office of the City Treasurer or his or her
24 agent; and (vi) give notice that interest on such Series 2018E Bond or portion of Series 2018E
25 Bond to be redeemed will cease to accrue after the Redemption Date. Notice of optional

1 redemption may be conditional upon receipt of funds or other event specified in the notice of
2 redemption as provided in Section 8(j) below.

3 The actual receipt by the owner of any Series 2018E Bond of notice of such
4 redemption shall not be a condition precedent to redemption, and failure to receive such
5 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
6 for the redemption of such Series 2018E Bonds or the cessation of accrual of interest on such
7 Series 2018E Bonds on the Redemption Date.

8 Notice of redemption also shall be given, or caused to be given by the City Treasurer,
9 by (i) registered or certified mail, postage prepaid; (ii) confirmed facsimile transmission; (iii)
10 overnight delivery service; or (iv) to the extent acceptable to the intended recipient, email or
11 similar electronic means, to (A) all organizations registered with the Securities and Exchange
12 Commission as securities depositories, and (B) such other services or organizations as may
13 be required in accordance with the Continuing Disclosure Certificate described in Section 19.

14 The notice or notices required for redemption shall be given by the City Treasurer or
15 any agent appointed by the City. A certificate of the City Treasurer or such other appointed
16 agent of the City that notice of redemption has been given to the owner of any Series 2018E
17 Bond to be redeemed in accordance with this Resolution shall be conclusive against all
18 parties.

19 (h) Series 2018E Redemption Account. At the time the Director of Public Finance
20 determines to optionally call and redeem any of the Series 2018E Bonds, the Controller or his
21 or her agent shall establish a redemption account to be described or known as the “General
22 Obligation Bonds, Series 2018E Redemption Account” (the “Series 2018E Redemption
23 Account”), and prior to or on the Redemption Date there must be set aside in the Series
24 2018E Redemption Account moneys available for the purpose and sufficient to redeem, as
25 provided in this Resolution, the Series 2018E Bonds designated in such notice of redemption,

1 subject to the provisions of Section 8(j) below. Such moneys must be set aside in the Series
2 2018E Redemption Account solely for the purpose of, and shall be applied on or after the
3 Redemption Date to, payment of the redemption price of the Series 2018E Bonds to be
4 redeemed upon presentation and surrender of such Series 2018E Bonds. Any interest due on
5 or prior to the Redemption Date may be paid from the Series 2018E Bond Subaccount as
6 provided in Section 9 or from the Series 2018E Redemption Account. Moneys held from time
7 to time in the Series 2018E Redemption Account shall be invested by the City Treasurer
8 pursuant to the City's policies and guidelines for investment of moneys in the general fund
9 (the "General Fund") of the City. If, after all of the Series 2018E Bonds have been redeemed
10 and canceled or paid and canceled, there are moneys remaining in the Series 2018E
11 Redemption Account, such moneys shall be transferred to the General Fund of the City or to
12 such other fund or account as required by applicable law; provided, that if such moneys are
13 part of the proceeds of refunding bonds, such moneys shall be transferred pursuant to the
14 resolution authorizing such refunding bonds.

15 (i) Effect of Redemption. When notice of optional redemption has been given
16 substantially as provided in this Resolution, and when the amount necessary for the
17 redemption of the Series 2018E Bonds called for redemption (principal, premium, if any, and
18 accrued interest to such Redemption Date) is set aside for that purpose in the Series 2018E
19 Redemption Account, the Series 2018E Bonds designated for redemption shall become due
20 and payable on the Redemption Date, and upon presentation and surrender of such Series
21 2018E Bonds at the place specified in the notice of redemption, such Series 2018E Bonds
22 shall be redeemed and paid at the redemption price out of the Series 2018E Redemption
23 Account. No interest will accrue on such Series 2018E Bonds called for redemption after the
24 Redemption Date and the registered owners of such Series 2018E Bonds shall look for
25 payment of such Series 2018E Bonds only to the Series 2018E Redemption Account. All

1 Series 2018E Bonds redeemed shall be canceled immediately by the City Treasurer and shall
2 not be reissued.

3 (j) Conditional Notice of Redemption; Rescission of Redemption. Any notice of
4 optional redemption given as provided in Section 8(g) may provide that such redemption is
5 conditioned upon: (i) deposit in the Series 2018E Redemption Account of sufficient moneys to
6 redeem the Series 2018E Bonds called for optional redemption on the anticipated
7 Redemption Date, or (ii) the occurrence of any other event specified in the notice of
8 redemption. If conditional notice of redemption has been given substantially as provided in
9 this clause, and on the scheduled Redemption Date (A) sufficient moneys to redeem the
10 Series 2018E Bonds called for optional redemption on the Redemption Date have not been
11 deposited in the Series 2018E Redemption Account, or (B) any other event specified in the
12 notice of redemption as a condition to the redemption has not occurred, then (1) the Series
13 2018E Bonds for which conditional notice of redemption was given shall not be redeemed on
14 the anticipated Redemption Date and shall remain outstanding for all purposes of this
15 Resolution, and (2) the redemption not occurring shall not constitute a default under this
16 Resolution or the Authorizing Resolution.

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

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

24 Section 9. Series 2018E Bond Subaccount. There is established with the City
25 Treasurer a special subaccount in the General Obligation Bonds (Public Health and Safety,

1 2016) Bond Account (the "Bond Account") created pursuant to the Authorizing Resolution to
2 be designated as the "General Obligation Bonds, Series 2018E Bond Subaccount" (the
3 "Series 2018E Bond Subaccount"), to be held separate and apart from all other accounts of
4 the City. All interest earned on amounts on deposit in the Series 2018E Bond Subaccount
5 shall be retained in the Series 2018E Bond Subaccount.

6 On or prior to the date on which any payment of principal or interest on the Series
7 2018E Bonds is due, including any Series 2018E Bonds subject to mandatory redemption on
8 such date, the City Treasurer shall allocate to and deposit in the Series 2018E Bond
9 Subaccount, from amounts held in the Bond Account, an amount which, when added to any
10 available moneys contained in the Series 2018E Bond Subaccount, is sufficient to pay
11 principal of and interest on the Series 2018E Bonds on such date.

12 On or prior to the date on which any Series 2018E Bonds are to be redeemed at the
13 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
14 in the Series 2018E Redemption Account, from amounts held in the Bond Account pursuant to
15 Section 8 of the Authorizing Resolution, an amount which, when added to any available
16 moneys contained in the Series 2018E Redemption Account, is sufficient to pay principal,
17 interest and premium, if any, with respect to such Series 2018E Bonds on such date. The
18 City Treasurer may make such other provision for the payment of principal and interest and
19 any redemption premium on the Series 2018E Bonds as is necessary or convenient to permit
20 the optional redemption of the Series 2018E Bonds.

21 Amounts in the Series 2018E Bond Subaccount may be invested in any investment of
22 the City in which moneys in the General Fund of the City are invested. The City Treasurer
23 may (a) commingle any of the moneys held in the Series 2018E Bond Subaccount with other
24 City moneys, or (b) deposit amounts credited to the Series 2018E Bond Subaccount into a
25 separate fund or funds for investment purposes only; provided, that all of the moneys held in

1 the Series 2018E Bond Subaccount shall be accounted for separately notwithstanding any
2 such commingling or separate deposit by the City Treasurer.

3 Section 10. Series 2018E Project Subaccount. There is established with the City
4 Treasurer a special subaccount in the General Obligation Bonds (Public Health and Safety,
5 2016) Project Account (the "Project Account") created pursuant to the Authorizing Resolution
6 to be designated the "General Obligation Bonds, Series 2018E Project Subaccount" (the
7 "Series 2018E Project Subaccount"), to be held separate and apart from all other accounts of
8 the City. All interest earned on amounts on deposit in the Series 2018E Project Subaccount
9 shall be retained in the Series 2018E Project Subaccount. Amounts in the Series 2018E
10 Project Subaccount shall be expended in accordance with the provisions of the Authorizing
11 Resolution for the acquisition, construction or reconstruction of the Project (as defined in the
12 Authorizing Resolution).

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

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1 The City Treasurer is authorized to pay or cause to be paid from the proceeds of the
2 Series 2018E Bonds, on behalf of the City, the costs of issuance associated with the Series
3 2018E Bonds. Costs of issuance of the Series 2018E Bonds shall include, without limitation,
4 bond and financial printing expenses, mailing and publication expenses, rating agency fees,
5 the fees and expenses of paying agents, registrars, municipal and other consultants,
6 disclosure counsel and co-bond counsel, and the reimbursement of departmental expenses in
7 connection with the issuance of the Series 2018E Bonds.

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

24 The Depository Trust Company (“DTC”) is appointed as depository for the Series
25 2018E Bonds. The Series 2018E Bonds shall be initially issued in book-entry form. Upon

1 initial issuance, the ownership of each Series 2018E Bond shall be registered in the bond
2 register in the name of Cede & Co., as nominee of DTC. So long as each Series 2018E Bond
3 is registered in book-entry form, each Series 2018E Bond shall be registered in the name of
4 Cede & Co. or in the name of such successor nominee as may be designated from time to
5 time by DTC or any successor as depository.

6 The City Treasurer is also authorized and directed to appoint one or more agents as he
7 or she may deem necessary or desirable, to the extent permitted by applicable law and under
8 the supervision of the City Treasurer, such agents may serve as paying agent, fiscal agent,
9 rebate calculation agent, escrow agent or registrar for the Series 2018E Bonds or may assist
10 the City Treasurer in performing any or all of such functions and such other duties as the City
11 Treasurer shall determine. Such agents shall serve under such terms and conditions as the
12 City Treasurer shall determine. The City Treasurer may remove or replace agents appointed
13 pursuant to this paragraph at any time.

14 Section 12. Defeasance Provisions. Payment of all or any portion of the Series
15 2018E Bonds may be provided for prior to such Series 2018E Bonds' respective stated
16 maturities by irrevocably depositing with the City Treasurer (or any commercial bank or trust
17 company designated by the City Treasurer to act as escrow agent with respect thereto):

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

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 2018E Bonds to be paid or redeemed, as such principal
7 and interest come due; provided, that, in the case of the Series 2018E 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 2018E 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 2018E 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 2018E 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 following
22 conditions: (A) the municipal obligations are not subject to redemption prior to maturity, or the
23 trustee or paying agent has been given irrevocable instructions concerning their calling and
24 redemption and the issuer has covenanted not to redeem such obligations other than as set
25 forth in such instructions; (B) the municipal obligations are secured by cash and/or United

1 States Obligations; (C) the principal of and interest on the United States Obligations (plus any
2 cash in the escrow fund or the redemption account) are sufficient to meet the liabilities of the
3 municipal obligations; (D) the United States Obligations serving as security for the municipal
4 obligations are held by an escrow agent or trustee; (E) the United States Obligations are not
5 available to satisfy any other claims, including those against the trustee or escrow agent; and
6 (F) the municipal obligations are rated (without regard to any numerical modifier, plus or
7 minus sign or other modifier), at the time of original deposit to the escrow fund, by any two
8 Rating Agencies (as defined below) not lower than the rating then maintained by such Rating
9 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" means Moody's Investors Service,
22 Fitch Ratings, and S&P Global Ratings, or any other nationally recognized bond rating agency
23 that is the successor to any of the foregoing rating agencies or that is otherwise established
24 after the date hereof.

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1 Section 13. Sale of Series 2018E Bonds by Competitive or Negotiated Sale. The
2 Board of Supervisors authorizes the sale of the Series 2018E 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 2018E 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 2018E 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 2018E 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 2018E
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 2018E 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 2018E 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 2018E 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 2018E 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 2018E 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 2018E Bonds.

12 In order to facilitate the sale of the Series 2018E Bonds by negotiated sale, the
13 Controller or the Director of Public Finance is hereby authorized and directed to appoint one
14 or more financial institutions to act as underwriter for the Series 2018E Bonds in accordance
15 with City policies and procedures, including, but not limited to, the City’s policy to provide
16 locally disadvantaged minority business enterprises and women enterprises an equal
17 opportunity to participate in the performance of all City contracts.

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

24 Section 18. Preliminary Official Statement and Official Statement. The form of
25 proposed Preliminary Official Statement describing the Series 2018E Bonds (the “Preliminary

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

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1 Section 19. Continuing Disclosure Certificate. The form of Continuing Disclosure
2 Certificate (the “Continuing Disclosure Certificate”), to be signed by the City to permit the
3 original purchasers of the Series 2018E Bonds to comply with the Rule, submitted to the
4 Board of Supervisors is approved and adopted as the Continuing Disclosure Certificate, with
5 such additions, corrections and revisions as may be determined to be necessary or desirable
6 made in accordance with Section 20. The Controller is authorized and directed to execute the
7 Continuing Disclosure Certificate on behalf of the City and deliver the Continuing Disclosure
8 Certificate to the original purchasers of the Series 2018E Bonds.

9 Section 20. Modification to Documents. Any City official authorized by this Resolution
10 to execute any document is further authorized, in consultation with the City Attorney and co-
11 bond counsel, to approve and make such changes, additions, amendments or modifications to
12 the document or documents such official is authorized to execute as may be necessary or
13 advisable (provided, that such changes, additions, amendments or modifications shall not
14 authorize an aggregate principal amount of Series 2018E Bonds in excess of \$52,500,000 or
15 conflict with the provisions of Section 4). The approval of any change, addition, amendment
16 or modification to any of the aforementioned documents shall be evidenced conclusively by
17 the execution and delivery of the document in question.

18 Section 21. Ratification. All actions previously taken by officials, employees and
19 agents of the City with respect to the sale and issuance of the Series 2018E Bonds,
20 consistent with any documents presented and this Resolution, are approved, confirmed and
21 ratified.

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1 Section 22. Relationship to Authorizing Resolution. In the event of any conflict
2 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
3 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
4 Resolution, the City is not obligated to transfer money from the General Fund of the City to the
5 Bond Account to pay the principal of or interest on the Series 2018E Bonds.

6 Section 23. Accountability Reports. The Series 2018E Bonds are subject to
7 accountability requirements under the Administrative Code and the Bond Ordinance. The
8 deadline for submission of the Accountability report(s) under Administrative Code Sections
9 2.71(a) and 2.71(b) are hereby waived with respect to the Series 2018E Bonds.
10 Accountability report(s) with respect to the Series 2018E Bonds shall be submitted in all other
11 respects in the manner required by the Administrative Code and the Bond Ordinance.

12 Section 24. Citizens' Oversight Committee. The Series 2018E Bonds are subject to,
13 and incorporate by reference, the applicable provisions of the San Francisco Administrative
14 Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond Oversight Committee"), and,
15 to the extent permitted by law, one-tenth of one percent (0.1%) of the gross proceeds of the
16 Series 2018E Bonds shall be deposited into a fund established by the Controller's Office and
17 appropriated by the Board of Supervisors at the direction of the Citizens' General Obligation
18 Bond Oversight Committee to cover the costs of such committee.

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

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

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

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

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

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

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

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

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

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

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

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

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1 "Yield" of:

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

3 and

4 (ii) the Series 2018E Bonds has the meaning set forth in Section 1.148-4 of the
5 Regulations.

6 (b) Not to Cause Interest to Become Taxable. The City shall not use, permit the
7 use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition,
8 construction or improvement of which is to be financed directly or indirectly with Gross
9 Proceeds) in a manner which if made or omitted, respectively, would cause the interest on
10 any Bond to become includable in the gross income, as defined in Section 61 of the Code, of
11 the owner thereof for federal income tax purposes. Without limiting the generality of the
12 foregoing, unless and until the City receives a written opinion of counsel nationally recognized
13 in the field of municipal bond law to the effect that failure to comply with such covenant will not
14 adversely affect the exemption from federal income tax of the interest on any Bond, the City
15 shall comply with each of the specific covenants in this Section.

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

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

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

15 (d) No Private Loan. Except to the extent permitted by Section 141 of the Code and
16 the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Series
17 2018E Bonds to make or finance loans to any person or entity other than a state or local
18 government. For purposes of the foregoing covenant, such Gross Proceeds are considered
19 to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such
20 Gross Proceeds is sold or leased to such person or entity in a transaction which creates a
21 debt for federal income tax purposes; (ii) capacity in or service from such property is
22 committed to such person or entity under a take-or-pay, output or similar contract or
23 arrangement; or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross
24 Proceeds or any property acquired, constructed or improved with such Gross Proceeds are
25 otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

11 (g) Information Report. The City shall timely file the information required by Section
12 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and
13 in such place as the Secretary may prescribe.

14 (h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section
15 148(f) of the Code and the Regulations and rulings thereunder:

16 (i) The City shall account for all Gross Proceeds (including all receipts,
17 expenditures and investments thereof) on its books of account separately and apart from all
18 other funds (and receipts, expenditures and investments thereof) and shall retain all records
19 of accounting for at least six years after the day on which the last outstanding Bond is
20 discharged. However, to the extent permitted by law, the City may commingle Gross
21 Proceeds of the Series 2018E Bonds with other money of the City; provided that the City
22 separately accounts for each receipt and expenditure of Gross Proceeds and the obligations
23 acquired therewith.

24 (ii) Not less frequently than each Computation Date, the City shall calculate the
25 Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the

1 Regulations and rulings thereunder. The City shall maintain such calculations with its official
2 transcript of proceedings relating to the issuance of the Series 2018E Bonds until six years
3 after the Final Computation Date.

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

16 (iv) The City shall exercise reasonable diligence to assure that no errors are made
17 in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made,
18 to discover and promptly correct such error within a reasonable amount of time thereafter (and
19 in all events within 180 days after discovery of the error), including payment to the United
20 States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed
21 under Section 1.148-3(h) of the Regulations.

22 (v) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of
23 the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to
24 the final payment on the Series 2018E Bonds, enter into any transaction that reduces the
25 amount required to be paid to the United States pursuant to Section 26(h) above because

1 such transaction results in a smaller profit or a larger loss than would have resulted if the
2 transaction had been at arm's length and had the Yield of the Series 2018E Bonds not been
3 relevant to either party.

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

18
19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21
22 By _____
23 KENNETH D. ROUX
24 Deputy City Attorney
25 n:\financ\as2018\1800445\01262513.docx

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 \$350,000,000 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 7, 2016 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. 514-16, adopted by the
9 Board of Supervisors of the City (the “Board of Supervisors”) on December 6, 2016, and duly
10 approved by the Mayor of the City on December 16, 2016, and Resolution No. _____, adopted
11 by 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 by 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 properly
16 given, failure of a Registered Owner to receive such notice shall not be deemed to invalidate,
17 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.

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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 ///

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CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolutions, which has been authenticated on the date set forth below.

Date of Authentication: _____

Treasurer of the
City and County of San Francisco

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1 **ASSIGNMENT**

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

3 _____
4 _____

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

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

11 Dated:

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

17 Signature Guaranteed:

18 _____
19 _____
20 _____

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