

1 [Sale of General Obligation Bonds - Earthquake Safety and Emergency Response - Not to
2 Exceed \$40,410,000]

3 **Resolution authorizing and directing the sale of not to exceed \$40,410,000 aggregate**
4 **principal amount of City and County of San Francisco General Obligation Bonds,**
5 **Series 2012E; prescribing the form and terms of said bonds; authorizing the execution,**
6 **authentication, and registration of said bonds; providing for the appointment of**
7 **depositories and other agents for said bonds; providing for the establishment of**
8 **accounts related to said bonds; providing for the manner of sale of said bonds by**
9 **competitive sale; approving the forms of official notice of sale and notice of intention**
10 **to sell bonds; directing the publication of the notice of intention to sell bonds;**
11 **approving the form of the preliminary official statement and the form and execution of**
12 **the official statement relating to the sale of said bonds; approving the form of the**
13 **continuing disclosure certificate; authorizing and approving modifications to**
14 **documents; declaring the City's intent to reimburse certain expenditures; ratifying**
15 **certain actions previously taken; and granting general authority to City officials to take**
16 **necessary actions in connection with the authorization, issuance, sale, and delivery of**
17 **said bonds.**

18
19 WHEREAS, In accordance with the Bond Election (as described below) and by
20 Resolution No. 47-10 adopted by the Board of Supervisors (the "Board") of the City and
21 County of San Francisco (the "City") on February 9, 2010, and signed by the Mayor of the City
22 (the "Mayor") on February 26, 2010, the Board determined and declared that the public
23 interest and necessity demands the construction, acquisition, improvement, retrofitting,
24 rehabilitation and completion of earthquake safety and emergency responsiveness facilities
25 and infrastructure described in Resolution No. 47-10; and,

1 WHEREAS, By Resolution No. 516-10 (the "Authorizing Resolution"), adopted by the
2 Board on November 2, 2010, and signed by the Mayor on November 5, 2010, the City
3 authorized the issuance of its General Obligation Bonds (Earthquake Safety and Emergency
4 Response Bonds, 2010) (the "Bonds") in an aggregate principal amount not to exceed
5 \$412,300,000; and,

6 WHEREAS, By Resolution No. 515-10, adopted by the Board on November 2, 2010,
7 and signed by the Mayor on November 5, 2010, the City authorized the first series of Bonds in
8 an aggregate principal amount not to exceed \$85,000,000; and,

9 WHEREAS, Pursuant to Resolution 515-10, on December 15, 2010, the City issued
10 and delivered \$79,520,000 of its General Obligation Bonds (Earthquake Safety and
11 Emergency Response Bonds, 2010), Series 2010E; and,

12 WHEREAS, By Resolution 17-12, adopted by the Board on January 24, 2012, and
13 signed by the Mayor on February 2, 2012, the City authorized the second series of Bonds in
14 an aggregate principal amount not to exceed \$192,000,000; and,

15 WHEREAS, Pursuant to Resolution 17-12, on March 8, 2012, the City issued and
16 delivered \$183,330,000 of its General Obligation Bonds (Earthquake Safety and Emergency
17 Response Bonds, 2010), Series 2012A; and,

18 WHEREAS, The City has issued and sold, to the date hereof, a total of \$262,850,000
19 in aggregate principal amount of the Bonds; and there remains \$149,450,000 of authorized
20 and unissued Bonds; and,

21 WHEREAS, It is necessary and desirable to issue an additional aggregate principal
22 amount of the Bonds not to exceed of \$40,410,000 (the "Series 2012E Bonds"), to finance a
23 portion of the costs of the Project (as defined in the Authorizing Resolution) and to pay the
24 costs of issuance thereof; and,
25

1 WHEREAS, The Series 2012E Bonds are being issued pursuant to the Authorizing
2 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
3 Code, the Charter of the City (the "Charter"), and a proposition approved by not less than a
4 two-thirds vote of the qualified electors of the City voting at a special election held in the City
5 on June 10, 2010 (the "Bond Election") pursuant to Ordinance 40-10 adopted by the Board on
6 February 23, 2010, and signed by the Mayor on February 26, 2010 (the "Bond Election
7 Ordinance"); and,

8 WHEREAS, The City has paid and expects to pay certain expenditures in connection
9 with the Project to be financed by the Series 2012E Bonds prior to the issuance and sale of
10 the Series 2012E Bonds, and the City intends to reimburse itself for such prior expenditures
11 from the proceeds of the Series 2012E Bonds; and,

12 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
13 Internal Revenue Code of 1986 (the "Reimbursement Regulations") requires the City to
14 declare its reasonable official intent to reimburse prior expenditures with the proceeds of a
15 subsequent borrowing; and,

16 WHEREAS, The Reimbursement Regulations require that any reimbursement
17 allocation of proceeds of the Series 2012E Bonds to be made with respect to expenditures
18 incurred prior to the issuance of the Series 2012E Bonds will occur not later than eighteen
19 (18) months after the later of (i) the date on which the expenditure is paid or (ii) the date on
20 which the facilities are placed in service, but in no event later than three (3) years after the
21 expenditure is paid;

22 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the City and
23 County of San Francisco, as follows:

24 Section 1. Recitals. All of the recitals in this Resolution are true and correct.
25

1 Section 2. Conditions Precedent. All conditions, things and acts required by law to
2 exist, to happen and to be performed precedent to and in connection with the issuance of the
3 Series 2012E Bonds exist, have happened and have been performed in due time, form and
4 manner in accordance with applicable law, and the City is now authorized pursuant to the
5 Bond Election, the Charter and applicable law to incur indebtedness in the manner and form
6 provided in this Resolution.

7 Section 3. Documents. The documents presented to the Board and on file with the
8 Clerk of the Board of Supervisors or his or her designee (the "Clerk of the Board of
9 Supervisors") are contained in File No. 120533.

10 Section 4. Issuance and Sale of Series 2012E Bonds; Determination of Certain Terms;
11 Designation. The Board authorizes the issuance and sale of not to exceed \$40,410,000 in
12 aggregate principal amount of Bonds to be designated as "City and County of San Francisco
13 General Obligation Bonds, Series 2012E," for the purposes set forth in the Bond Election
14 Ordinance and Proposition B approved by the voters at the Bond Election.

15 The Director of Public Finance of the City or his or her designee (the "Director of Public
16 Finance") is authorized to determine, for the Series 2012E Bonds, the sale date, the interest
17 rates, the definitive principal amount, the maturity dates and the redemption dates, if any, and
18 the terms of any optional or mandatory redemption, subject to the other specific provisions of
19 this Resolution, including the following terms and conditions: (i) the Series 2012E Bonds shall
20 not have a true interest cost in excess of 12% (as such term is defined in the Official Notice of
21 Sale (as defined in Section 17)); and (ii) the Series 2012E Bonds shall not have a final
22 maturity date after June 15, 2040. The Director of Public Finance is further authorized to give
23 the Series 2012E Bonds such additional or other series designation, or to modify such series
24 designation, as may be necessary or appropriate to distinguish the Series 2012E Bonds from
25 every other series of Bonds and from other bonds issued by the City.

1 Section 5. Execution, Authentication and Registration of the Series 2012E Bonds.

2 Each of the Series 2012E Bonds shall be in fully registered form without coupons in
3 denominations of \$5,000 or any integral multiple of that amount. The officers of the City are
4 directed to cause the Series 2012E Bonds to be prepared in sufficient quantity for delivery to
5 or for the account of their purchaser and the Controller is directed to cause the blanks in the
6 Series 2012E Bonds to be completed in accordance with the Authorizing Resolution and the
7 Bond Award (as defined in Section 13), to procure their execution by the proper officers of the
8 City (including by facsimile signature if necessary or convenient) and authentication as
9 provided in this Section, and to deliver the Series 2012E Bonds when so executed and
10 authenticated to said purchaser in exchange for their purchase price, all in accordance with
11 the Authorizing Resolution.

12 The Series 2012E Bonds and the certificate of authentication and registration, to be
13 manually executed by the Treasurer of the City or his or her designee (the "City Treasurer"),
14 and the form of assignment to appear on the Series 2012E Bonds shall be substantially in the
15 form attached as Exhibit A (a copy of which is on file with the Clerk of the Board of
16 Supervisors and which is declared to be a part of this Resolution as if fully set forth in this
17 Resolution), with necessary or appropriate variations, omissions and insertions as permitted
18 or required by this Resolution.

19 Only Series 2012E Bonds bearing a certificate of authentication and registration
20 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
21 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City
22 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
23 Series 2012E Bonds so authenticated have been duly authenticated and delivered under, and
24 are entitled to the benefits of, the Authorizing Resolution and this Resolution.
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1 The Controller shall assign a distinctive letter, or number, or letter and number to each
2 Series 2012E 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 2012E
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 said books, Series
10 2012E Bonds as provided in this Resolution. The City and the City Treasurer may treat the
11 registered owner of each Series 2012E 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 2012E Bonds. Any Series 2012E 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 2012E
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 2012E 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 2012E 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 2012E 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 of 2012A 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 2012E Bonds.

7 Section 8. Terms of the Series 2012E Bonds; General Redemption Provisions.

8 (a) Date of the Series 2012E Bonds. The Series 2012E 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 (b) Payment of the Series 2012E Bonds. The principal of the Series 2012E Bonds
11 shall be payable in lawful money of the United States of America to their owners, upon
12 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on
13 the Series 2012E Bonds shall be payable in like lawful money to the person whose name
14 appears on the bond registration books of the City Treasurer as the owner as of the close of
15 business on the last day of the month immediately preceding an interest payment date (the
16 "Record Date"), whether or not such day is a Business Day (as defined below).

17 Except as may be otherwise provided in connection with any book-entry only system
18 applicable to the Series 2012E Bonds, payment of the interest on any Series 2012E Bond
19 shall be made by check mailed on the interest payment date to such owner at such owner's
20 address as it appears on the registration books as of the Record Date; provided, that if any
21 interest payment date occurs on a day that banks in California or New York are closed for
22 business or the New York Stock Exchange is closed for business, then such payment shall be
23 made on the next succeeding day that banks in both California and New York are open for
24 business and the New York Stock Exchange is open for business (each, a "Business Day");
25 and provided, further, that the registered owner of an aggregate principal amount of at least

1 \$1,000,000 of Series 2012E Bonds may submit a written request to the City Treasurer on or
2 before a Record Date preceding an interest payment date for payment of interest on the next
3 succeeding interest payment date and thereafter by wire transfer to a commercial bank
4 located within the United States of America.

5 For so long as any Series 2012E Bonds are held in book-entry form by a securities
6 depository selected by the City pursuant to Section 11, payment shall be made to the
7 registered owner of the Series 2012E Bonds designated by such securities depository by wire
8 transfer of immediately available funds.

9 (c) Interest on the Series 2012E Bonds. The Series 2012E Bonds shall bear interest
10 at rates to be determined upon the sale of the Series 2012E Bonds, calculated on the basis of
11 a 360-day year comprised of twelve 30-day months, payable on December 15, 2012 (or such
12 other date as may be designated in the Bond Award), and semiannually thereafter on June 15
13 and December 15 of each year. Each Series 2012E Bond shall bear interest from the interest
14 payment date next preceding the date of its authentication unless it is authenticated as of a
15 day during the period from the Record Date next preceding any interest payment date to the
16 interest payment date, inclusive, in which event it shall bear interest from such interest
17 payment date, or unless it is authenticated on or before the first Record Date, in which event it
18 shall bear interest from the Dated Date; provided, that if, at the time of authentication of any
19 Series 2012E Bond, interest is in default on the Series 2012E Bonds, such Series 2012E
20 Bond shall bear interest from the interest payment date to which interest has previously been
21 paid or made available for payment on the Series 2012E Bonds or from the Dated Date if the
22 first interest payment is not made.

23 (d) Optional Redemption. The Series 2012E Bonds shall be subject to optional
24 redemption prior to maturity as provided in the Official Notice of Sale or the Bond Award.
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1 (e) Mandatory Redemption. The Series 2012E Bonds shall be subject to mandatory
2 redemption at par, by lot, in any year in which the purchaser has designated that the principal
3 amount payable with respect to that year shall constitute a mandatory sinking fund payment
4 as permitted by the Official Notice of Sale. Any Series 2012E Bonds subject to mandatory
5 redemption shall be designated as such in the Official Notice of Sale or the Bond Award.

6 The principal of and interest on the Series 2012E Bonds subject to mandatory
7 redemption shall be paid from the Series 2012E Bond Account (as defined in Section 9),
8 pursuant to Section 9. In lieu of any such mandatory redemption for Series 2012E Bonds, at
9 any time prior to the selection of Series 2012E Bonds for mandatory redemption, the City may
10 apply amounts on deposit in the Series 2012E Bond Account to make such payment to the
11 purchase, at public or private sale, of Series 2012E Bonds subject to such mandatory
12 redemption, and when and at such prices not in excess of the principal amount thereof
13 (including sales commission and other charges but excluding accrued interest), as the City
14 may determine.

15 (f) Selection of Series 2012E Bonds for Redemption. Whenever less than all of the
16 outstanding Series 2012E Bonds are called for redemption on any date, the City Treasurer will
17 select the maturities of the Series 2012E Bonds to be redeemed in the sole discretion of the
18 City Treasurer. Whenever less than all of the outstanding Series 2012E Bonds maturing on
19 any one date are called for redemption on any one date, the City Treasurer will select the
20 Series 2012E Bonds or portions thereof, in denominations of \$5,000 or any integral multiple
21 thereof, to be redeemed from the outstanding Series 2012E Bonds maturing on such date not
22 previously selected for redemption, by lot, in any manner which the City Treasurer deems fair.

23 (g) Notice of Redemption. The date on which Series 2012E 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 2012E Bonds,

1 postage prepaid, to the respective registered owners at the addresses appearing on the bond
2 registration books not less than twenty (20) nor more than sixty (60) days prior to the
3 Redemption Date. The notice of redemption shall (a) state the Redemption Date; (b) state the
4 redemption price; (c) state the maturity dates of the Series 2012E Bonds to be redeemed and,
5 if less than all of any such maturity is called for redemption, the distinctive numbers of the
6 Series 2012E Bonds of such maturity to be redeemed, and in the case of any Series 2012E
7 Bonds to be redeemed in part only, the respective portions of the principal amount to be
8 redeemed; (d) state the CUSIP number, if any, of each Series 2012E Bond to be redeemed;
9 (e) require that such Series 2012E Bonds be surrendered by the owners at the office of the
10 City Treasurer or his or her agent; and (f) give notice that interest on such Series 2012E
11 Bonds or portions of Series 2012E Bonds to be redeemed will cease to accrue after the
12 Redemption Date. Notice of optional redemption may be conditional upon receipt of funds or
13 other event specified in the notice of redemption as provided in subsection (j) of this Section
14 8.

15 The actual receipt by the owner of any Series 2012E Bond of notice of such
16 redemption shall not be a condition precedent to redemption, and failure to receive such
17 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
18 for the redemption of such Series 2012E Bonds or the cessation of accrual of interest on such
19 Series 2012E Bonds on the Redemption Date.

20 Notice of redemption also shall be given, or caused to be given by the City Treasurer,
21 by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission, (iii)
22 overnight delivery service, or (iv) to the extent acceptable to the intended recipient, email or
23 similar electronic means, to (a) all organizations registered with the Securities and Exchange
24 Commission as securities depositories and (b) such other services or organizations as may be
25 required in accordance with the Continuing Disclosure Certificate described in Section 19.

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 2012E
4 Bond to be redeemed in accordance with this Resolution shall be conclusive against all
5 parties.

6 (h) Series 2012E Redemption Account. At the time the City Treasurer or the
7 Controller of the City or his or her designee (the "Controller") determines to optionally call and
8 redeem any of the Series 2012E Bonds, the City Treasurer or his or her agent shall establish
9 a redemption account to be described or known as the "General Obligation Bonds, Series
10 2012E Redemption Account" (the "Series 2012E Redemption Account"), and prior to or on the
11 Redemption Date there must be set aside in the Series 2012E Redemption Account moneys
12 available for the purpose and sufficient to redeem, as provided in this Resolution, the Series
13 2012E Bonds designated in said notice of redemption, subject to the provisions of subsection
14 (j) of this section. Said moneys must be set aside in the Series 2012E Redemption Account
15 solely for the purpose of, and shall be applied on or after the Redemption Date to, payment of
16 the redemption price of the Series 2012E Bonds to be redeemed upon presentation and
17 surrender of such Series 2012E Bonds. Any interest due on or prior to the Redemption Date
18 may be paid from the Series 2012E Bond Account as provided in Section 9 or from the Series
19 2012E Redemption Account. Moneys held from time to time in the Series 2012E Redemption
20 Account shall be invested by the City Treasurer pursuant to the City's policies and guidelines
21 for investment of moneys in the General Fund of the City. If, after all of the Series 2012E
22 Bonds have been redeemed and canceled or paid and canceled, there are moneys remaining
23 in the Series 2012E Redemption Account, said moneys shall be transferred to the General
24 Fund of the City or to such other fund or account as required by applicable law; provided, that
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1 if said moneys are part of the proceeds of refunding bonds, said moneys shall be transferred
2 pursuant to the 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 2012E 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 2012E
7 Redemption Account, the Series 2012E Bonds designated for redemption shall become due
8 and payable on the Redemption Date, and upon presentation and surrender of said Series
9 2012E Bonds at the place specified in the notice of redemption, such Series 2012E Bonds
10 shall be redeemed and paid at said redemption price out of said Series 2012E Redemption
11 Account. No interest will accrue on such Series 2012E Bonds called for redemption after the
12 Redemption Date and the registered owners of such Series 2012E Bonds shall look for
13 payment of such Series 2012E Bonds only to the Series 2012E Redemption Account. All
14 Series 2012E 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 2012E Redemption Account of sufficient moneys to
19 redeem the Series 2012E 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 subsection (j), and on the scheduled Redemption Date (i) sufficient moneys to redeem the
23 Series 2012E Bonds called for optional redemption on the Redemption Date have not been
24 deposited in the Series 2012E Redemption Account, or (ii) any other event specified in the
25 notice of redemption as a condition to the redemption has not occurred, then (y) the Series

1 2012E 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 (z) 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 2012E 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 2012E Bond of notice of such rescission shall
10 not be a condition precedent to rescission, and failure to receive such notice or any defect in
11 such notice so mailed shall not affect the validity of the rescission.

12 Section 9. Series 2012E Bond Account. There is established with the City Treasurer a
13 special subaccount in the General Obligation Bonds (Earthquake Safety and Emergency
14 Response Bonds, 2010) Bond Account (the "Bond Account") created pursuant to the
15 Authorizing Resolution to be designated the "General Obligation Bonds, Series 2012E Bond
16 Subaccount" (the "Series 2012E Bond Account"), to be held separate and apart from all other
17 accounts of the City. All interest earned on amounts on deposit in the Series 2012E Bond
18 Account shall be retained in the Series 2012E Bond Account.

19 On or prior to the date on which any payment of principal of or interest on the Series
20 2012E Bonds is due, including any Series 2012E Bonds subject to mandatory redemption on
21 said date, the City Treasurer shall allocate to and deposit in the Series 2012E Bond Account,
22 from amounts held in the Bond Account, an amount which, when added to any available
23 moneys contained in the Series 2012E Bond Account, is sufficient to pay principal of and
24 interest on the Series 2012E Bonds on such date
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1 On or prior to the date on which any Series 2012E 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 2012E Redemption Account, from amounts held in the Bond Account pursuant to
4 Section 8 of the Authorizing Resolution, an amount which, when added to any available
5 moneys contained in the Series 2012E Redemption Account, is sufficient to pay principal,
6 interest and premium, if any, with respect to such Series 2012E Bonds on such date. The City
7 Treasurer may make such other provision for the payment of principal of and interest and any
8 redemption premium on the Series 2012E Bonds as is necessary or convenient to permit the
9 optional redemption of the Series 2012E Bonds.

10 Amounts in the Series 2012E Bond Account may be invested in any investment of the
11 City in which moneys in the General Fund of the City are invested. The City Treasurer may (i)
12 commingle any of the moneys held in the Series 2012E Bond Account with other City moneys
13 or (ii) deposit amounts credited to the Series 2012E Bond Account into a separate fund or
14 funds for investment purposes only; provided, that all of the moneys held in the Series 2012E
15 Bond Account shall be accounted for separately notwithstanding any such commingling or
16 separate deposit by the City Treasurer.

17 Section 10. Series 2012E Project Account. There is established with the City
18 Treasurer a special subaccount in the General Obligation Bonds (Earthquake Safety and
19 Emergency Response Bonds, 2010) Project Account (the "Project Account") created pursuant
20 to the Authorizing Resolution to be designated the "General Obligation Bonds, Series 2012E
21 Project Subaccount" (the "Series 2012E Project Account"), to be held separate and apart from
22 all other accounts of the City. All interest earned on amounts on deposit in the Series 2012E
23 Project Account shall be retained in the Series 2012E Project Account. Amounts in the Series
24 2012E Project Account shall be expended in accordance with the provisions of the Authorizing
25

1 Resolution for the improvement, retrofitting, rehabilitation and completion of the Project (as
2 defined in the Authorizing Resolution).

3 Amounts in the Series 2012E Project Account may be invested in any investment of the
4 City in which moneys in the General Fund of the City are invested. The City Treasurer may (i)
5 commingle any of the moneys held in the Series 2012E Project Account with other City
6 moneys or (ii) deposit amounts credited to the Series 2012E Project Account into a separate
7 fund or funds for investment purposes only; provided, that all of the moneys held in the Series
8 2012E Project Account (including interest earnings) shall be accounted for separately
9 notwithstanding any such comingling or separate deposit by the City Treasurer.

10 The City Treasurer is authorized to pay or cause to be paid from the proceeds of the
11 Series 2012E Bonds, on behalf of the City, the costs of issuance associated with the Series
12 2012E Bonds. Costs of issuance of the Series 2012E Bonds shall include, without limitation,
13 bond and financial printing expenses, mailing and publication expenses, rating agency fees,
14 the fees and expenses of paying agents, registrars, financial consultants, disclosure counsel
15 and co-bond counsel, and the reimbursement of departmental expenses in connection with
16 the issuance of the Series 2012E Bonds.

17 Section 11. Appointment of Depositories and Other Agents. The City Treasurer is
18 authorized and directed to appoint one or more depositories as he or she may deem desirable
19 and the procedures set forth in Section 6, Section 7 and Section 8 relating to registration of
20 ownership of the Series 2012E Bonds and payments and redemption notices to owners of the
21 Series 2012E Bonds may be modified to comply with the policies and procedures of such
22 depository. The City will not have any responsibility or obligation to any purchaser of a
23 beneficial ownership interest in any Series 2012E Bonds or to any participants in such a
24 depository with respect to (i) the accuracy of any records maintained by such securities
25 depository or any participant therein; (ii) any notice that is permitted or required to be given to

1 the owners of Series 2012E Bonds under this Resolution; (iii) the selection by such securities
2 depository or any participant therein of any person to receive payment in the event of a partial
3 redemption of Series 2012E Bonds; (iv) the payment by such securities depository or any
4 participant therein of any amount with respect to the principal or redemption premium, if any,
5 or interest due with respect to Series 2012E Bonds; (v) any consent given or other action
6 taken by such securities depository as the owner of Series 2012E Bonds; or (vi) any other
7 matter.

8 The Depository Trust Company ("DTC") is appointed as depository for the Series
9 2012E Bonds. The Series 2012E Bonds shall be initially issued in book-entry form. Upon
10 initial issuance, the ownership of each Series 2012E Bond shall be registered in the bond
11 register in the name of Cede & Co., as nominee of DTC. So long as each Series 2012E Bond
12 is registered in book-entry form, each Series 2012E Bond shall be registered in the name of
13 Cede & Co. or in the name of such successor nominee as may be designated from time to
14 time by DTC or any successor as depository.

15 The City Treasurer is also authorized and directed to appoint one or more agents as he
16 or she may deem necessary or desirable. To the extent permitted by applicable law and under
17 the supervision of the City Treasurer, such agents may serve as paying agent, fiscal agent,
18 rebate calculation agent, escrow agent or registrar for the Series 2012E Bonds or may assist
19 the City Treasurer in performing any or all of such functions and such other duties as the City
20 Treasurer shall determine. Such agents shall serve under such terms and conditions as the
21 City Treasurer shall determine. The City Treasurer may remove or replace agents appointed
22 pursuant to this paragraph at any time.

23 Section 12. Defeasance Provisions. Payment of all or any portion of the Series 2012E
24 Bonds may be provided for prior to such Series 2012E Bonds' respective stated maturities by
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1 irrevocably depositing with the City Treasurer (or any commercial bank or trust company
2 designated by the City Treasurer to act as escrow agent):

3 (a) An amount of cash equal to the principal amount of all of the Series 2012E
4 Bonds or portion thereof to be defeased, and all unpaid interest thereon to maturity, except
5 that in the case of any portion of the Series 2012E Bonds that is to be redeemed prior to such
6 Series 2012E Bonds' respective stated maturities and in respect of which notice of such
7 redemption shall have been given as provided in Section 8 or an irrevocable election to give
8 such notice shall have been made by the City, the amount to be deposited shall be the
9 principal amount thereof, all unpaid interest thereon to the Redemption Date, and premium, if
10 any, due on such Redemption Date; or

11 (b) Defeasance Securities (as defined below) not subject to call, except as provided
12 below in the definition of that term, maturing and paying interest at such times and in such
13 amounts, together with interest earnings and cash, if required, as will, without reinvestment,
14 as certified by an independent certified public accountant, be fully sufficient to pay the
15 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,
16 and premium, if any, due on the portion of the Series 2012E Bonds to be redeemed, as such
17 principal and interest come due; provided, that, in the case of Series 2012E Bonds that are to
18 be redeemed prior to maturity, notice of such redemption shall be given as provided in Section
19 8 or an irrevocable election to give such notice shall have been made by the City; then, all
20 obligations of the City with respect to said outstanding Series 2012E Bonds shall cease and
21 terminate, except only the obligation of the City to pay or cause to be paid from the funds
22 deposited pursuant to paragraphs (a) or (b) of this Section 12 to the owners of such Series
23 2012E Bonds all sums due with respect thereto and the obligations of the City pursuant to
24 Section 18; and provided further, that the City shall have received an opinion of nationally
25

1 recognized bond counsel that provision for the payment of such Series 2012E Bonds has
2 been made in accordance with this Section 12.

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

- 6 (1) United States Obligations (as defined below); and
- 7 (2) Pre-refunded fixed interest rate municipal obligations meeting the following
8 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the
9 trustee or paying agent has been given irrevocable instructions concerning their calling and
10 redemption and the issuer has covenanted not to redeem such obligations other than as set
11 forth in such instructions; (b) the municipal obligations are secured by cash or United States
12 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in
13 the escrow fund or the Series 2012E Redemption Account) are sufficient to meet the liabilities
14 of the municipal obligations; (d) the United States Obligations serving as security for the
15 municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations
16 are not available to satisfy any other claims, including those against the trustee or escrow
17 agent; and (f) the municipal obligations are rated, without regard to any numerical modifier,
18 plus or minus sign or other modifier, at the time of original deposit to the escrow fund, by any
19 two Rating Agencies (as defined below) not lower than the rating then maintained by such
20 Rating Agencies on such United States Obligations.

21 For purposes of this Section 12, "United States Obligations" means (i) direct and
22 general obligations of the United States of America, or obligations that are unconditionally
23 guaranteed as to principal and interest by the United States of America, including without
24 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that
25 have been stripped by request to the Federal Reserve Bank of New York in book-entry form

1 or (ii) any security issued by an agency or instrumentality of the United States of America that
2 is selected by the Director of Public Finance that results in the escrow fund being rated by any
3 two Rating Agencies at the time of the initial deposit to the escrow fund and upon any
4 substitution or subsequent deposit to the escrow fund, not lower than the rating then
5 maintained by such Rating Agencies on United States Obligations described in clause (i)
6 above.

7 For purposes of this Section 12, "Rating Agencies" means Moody's Investors Service,
8 Inc., Fitch Ratings, and Standard and Poor's Rating Services, a division of The McGraw-Hill
9 Companies, Inc., or any other nationally recognized bond rating agency that is the successor
10 to any of the foregoing rating agencies or that is otherwise established after the date hereof.

11 Section 13. Official Notice of Sale; Receipt of Bids; Bond Award.

12 (a) Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids
13 for the Series 2012E Bonds (the "Official Notice of Sale") submitted to the Board is approved
14 as the Official Notice of Sale inviting bids for the Series 2012E Bonds, with such changes,
15 additions and modifications as may be made in accordance with Section 20. The Director of
16 Public Finance is authorized and directed to cause to be mailed or otherwise circulated to
17 prospective bidders for the Series 2012E Bonds copies of the Official Notice of Sale, subject
18 to such corrections, revisions or additions as may be acceptable to the Director of Public
19 Finance.

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

22 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any
23 and all bids received for any reason. The Controller is authorized to award the Series 2012E
24 Bonds to the responsible bidder whose bid (a) is timely received and conforms to the Official
25 Notice of Sale, except to the extent informalities and irregularities are waived by the City as

1 permitted by the Official Notice of Sale, and (b) represents the lowest true interest cost to the
2 City in accordance with the procedures described in the Official Notice of Sale. The award, if
3 made, shall be set forth in a certificate signed by the Controller setting forth the terms of the
4 Series 2012E Bonds and the original purchasers (the "Bond Award"). The Controller shall
5 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board of
6 Supervisors and the Director of Public Finance; provided, that failure to provide such copy
7 shall not affect the validity of the Bond Award.

8 Section 14. Publication of Notice of Intention to Sell Bonds. The form of proposed
9 Notice of Intention to Sell the Series 2012E Bonds (the "Notice of Intention to Sell Bonds")
10 submitted to the Board is approved as the Notice of Intention to Sell the Series 2012E Bonds,
11 and the Director of Public Finance is authorized and directed to cause the Notice of Intention
12 to Sell Bonds, subject to such corrections, revisions or additions as may be made in
13 accordance with Section 20, to be published once in The Bond Buyer or another financial
14 publication generally circulated throughout the State of California.

15 Section 15. Sale of Series 2012E Bonds; Solicitation of Competitive Bids. The Board
16 authorizes the sale of the Series 2012E Bonds by solicitation of competitive bids for the
17 purchase of the Series 2012E Bonds on the date and at the place determined in accordance
18 with the Official Notice of Sale and Section 4.

19 Section 16. Disposition of Proceeds of Sale. The proceeds of sale of the Series
20 2012E Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any,
21 shall be deposited into the Series 2012E Bond Account; (b) premium, if any, shall be
22 deposited into the Series 2012E Bond Account; and (iii) remaining proceeds of sale shall be
23 deposited into the Series 2012E Project Account.

24 Section 17. Official Statement. The form of proposed Preliminary Official Statement
25 describing the Series 2012E Bonds (the "Preliminary Official Statement") submitted to the

1 Board is approved as the Preliminary Official Statement describing the Series 2012E Bonds,
2 with such additions, corrections and revisions as may be determined to be necessary or
3 desirable made in accordance with Section 20. The Controller is authorized to cause the
4 distribution of a Preliminary Official Statement deemed final for purposes of Securities and
5 Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of
6 1934, as amended (the "Rule"), and to sign a certificate to that effect. The Director of Public
7 Finance is authorized and directed to cause to be printed and mailed or electronically
8 distributed to prospective bidders for the Series 2012E Bonds the Preliminary Official
9 Statement in substantially the form of the Preliminary Official Statement approved 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 2012E 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 2012E Bonds.

18 Section 18. Tax Covenants.

19 (a) General. The City covenants with the holders of the Series 2012E Bonds that,
20 notwithstanding any other provisions of this Resolution, it shall not take any action, or fail to
21 take any action, if any such action or failure to take action would adversely affect the
22 exclusion from gross income of interest on the Series 2012E Bonds under Section 103 of the
23 Code, and the regulations issued thereunder, as the same may be amended from time to
24 time, and any successor provisions of law. Reference to a particular section of the Code shall
25 be deemed to be a reference to any successor to any such section. The City shall not, directly

1 or indirectly, use or permit the use of proceeds of the Series 2012E Bonds or any of the
2 property financed or refinanced with proceeds of the Series 2012E Bonds, or any portion
3 thereof, by any person other than a governmental unit (as such term is used in Section 141 of
4 the Code), in such manner or to such extent as would result in the loss of exclusion of interest
5 on the Series 2012E Bonds from gross income for federal income tax purposes.

6 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if
7 any such action or failure to take action would cause the Series 2012E Bonds to be "private
8 activity bonds" within the meaning of Section 141 of the Code, and in furtherance thereof,
9 shall not make any use of the proceeds of the Series 2012E Bonds or any of the property
10 financed or refinanced with proceeds of the Series 2012E Bonds, or any portion thereof, or
11 any other funds of the City, that would cause the Series 2012E Bonds to be "private activity
12 bonds" within the meaning of Section 141 of the Code. To that end, so long as any Series
13 2012E Bonds are outstanding, the City, with respect to such proceeds and property and such
14 other funds, will comply with applicable requirements of the Code and all regulations of the
15 United States Department of the Treasury issued thereunder, to the extent such requirements
16 are, at the time, applicable and in effect. The City shall establish reasonable procedures
17 necessary to ensure continued compliance with Section 141 of the Code and the continued
18 qualification of the Series 2012E Bonds as "governmental bonds."

19 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any
20 proceeds of the Series 2012E Bonds, or of any property financed or refinanced by the Series
21 2012E Bonds, or other funds of the City, or take or omit to take any action, that would cause
22 the Series 2012E Bonds to be "arbitrage bonds" within the meaning of Section 148 of the
23 Code. To that end, the City shall comply with all requirements of Section 148 of the Code and
24 all regulations of the United States Department of the Treasury issued thereunder to the
25 extent such requirements are, at the time, in effect and applicable to the Series 2012E Bonds.

1 (d) Federal Guarantee. The City shall not make any use of the proceeds of the
2 Series 2012E Bonds or any other funds of the City, or take or omit to take any other action,
3 that would cause the Series 2012E Bonds to be “federally guaranteed” within the meaning of
4 Section 149(b) of the Code.

5 (e) Information Reporting. The City shall take or cause to be taken all necessary
6 action to comply with the information reporting requirement of Section 149(e) of the Code with
7 respect to the Series 2012E Bonds.

8 (f) Hedge Bonds. The City shall not make any use of the proceeds of the Series
9 2012E Bonds or any other amounts or property, regardless of the source, or take any action
10 or refrain from taking any action that would cause the Series 2012E Bonds to be considered
11 “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all
12 necessary action to assure compliance with the requirements of Section 149(g) of the Code.

13 (g) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants
14 of this Section 18, the City covenants that it will comply with the provisions of the Tax
15 Certificate to be executed by the City with respect to the Series 2012E Bonds, dated the date
16 of issuance of the Series 2012E Bonds, as such Tax Certificate may be amended from time to
17 time. This covenant shall survive payment in full or defeasance of the Series 2012E Bonds.

18 Section 19. Continuing Disclosure Certificate. The form of Continuing Disclosure
19 Certificate (the “Continuing Disclosure Certificate”), to be executed by the City to permit the
20 original purchasers of the Series 2012E Bonds to comply with the Rule, submitted to the
21 Board is hereby approved as the Continuing Disclosure Certificate, with such additions,
22 corrections and revisions as may be determined to be necessary or desirable made in
23 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 2012E 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, to
3 approve and make such changes, additions, amendments or modifications to the document or
4 documents such official is authorized to execute as may be necessary or advisable (provided,
5 that such changes, additions, amendments or modifications shall not authorize an aggregate
6 principal amount of Series 2012E Bonds in excess of \$40,410,000 or in any way increase the
7 risks or obligations of the City in a manner inconsistent with the terms herein approved). The
8 approval of any change, addition, amendment or modification to any of the aforementioned
9 documents shall be evidenced conclusively by the execution and delivery of the document in
10 question.

11 Section 21. Ratification. All actions previously taken by officials, employees and
12 agents of the City with respect to the sale and issuance of the Series 2012E Bonds are
13 approved, confirmed and 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 2012E Bonds.

19 Section 23. Reimbursement. The City declares its official intent to reimburse prior
20 expenditures of the City incurred prior to the issuance and sale of the Series 2012E Bonds in
21 connection with the Project or portions thereof to be financed by the Series 2012E Bonds. The
22 Board declares the City's intent to reimburse the City with the proceeds of the Series 2012E
23 Bonds for the expenditures with respect to the Project (the "Expenditures" and each, an
24 "Expenditure") made on and after that date that is no more than 60 days prior to adoption of
25

1 this Resolution. The City reasonably expects on the date of adoption of this Resolution that it
2 will reimburse the Expenditures with the proceeds of the Series 2012E Bonds.

3 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
4 account under general federal income tax principles (determined in each case as of the date
5 of the Expenditure), (b) a cost of issuance with respect to the Series 2012E Bonds, (c) a
6 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
7 party that is not related to or an agent of the City so long as such grant does not impose any
8 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
9 City. The maximum aggregate principal amount of the Series 2012E Bonds expected to be
10 issued for the Project is \$40,410,000. The City shall make a reimbursement allocation, which
11 is a written allocation by the City that evidences the City's use of proceeds of the Series
12 2012E Bonds to reimburse an Expenditure, no later than 18 months after the later of the date
13 on which the Expenditure is paid or the Project is placed in service or abandoned, but in no
14 event more than three years after the date on which the Expenditure is paid. The City
15 recognizes that exceptions are available for certain "preliminary expenditures," costs of
16 issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of
17 issuance and not the year of expenditure) and expenditures for construction projects of at
18 least 5 years.

19 Section 24. Accountability Reports. The Series 2012E Bonds are subject to
20 accountability requirements under the City's Administrative Code and the Bond Election
21 Ordinance. Accountability report(s) with respect to the Series 2012E Bonds shall be submitted
22 at the time(s) and in the manner required by the Administrative Code and the Bond Election
23 Ordinance.

24 Section 25. Citizens' Oversight Committee. The Series 2012E Bonds are subject to,
25 and incorporate by reference, the applicable provisions of the San Francisco Administrative

1 Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond Oversight Committee"), and,
2 to the extent permitted by law, one tenth of one percent (0.1%) of the gross proceeds of the
3 Series 2012E Bonds shall be deposited into a fund established by the Controller's Office and
4 appropriated by the Board at the direction of the Citizens' General Obligation Bond Oversight
5 Committee to cover the costs of such committee.

6 Section 26. CEQA Findings. The Board hereby adopts and incorporates by reference
7 the findings required by the California Environmental Quality Act ("CEQA"), California Public
8 Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative Code
9 Sections 15000 et seq., ("CEQA Guidelines"), and the San Francisco Administrative Code
10 Chapter 31 ("Chapter 31"), all as set forth in Resolution 47-10, adopted by the Board on
11 February 9, 2010; provided however, except for planning and feasibility studies, no bond
12 proceeds shall be spent on projects of or relating to Awss cisterns or Awss pipe
13 improvements, until such time as the Board has determined to proceed with such projects and
14 the necessary CEQA findings and determinations have been made in accordance with law.

15 Section 27. Planning Code. The Board hereby adopts and incorporates by reference
16 the findings and declarations relative to the conformance of the Bonds to (i) the priority
17 policies of Section 101.1(b) of the San Francisco Planning Code, (ii) Section 4.105 of the San
18 Francisco Charter and Section 2A.53(f) of the San Francisco Administrative Code, and (iii)
19 consistency with the City's General Plan, all as more fully set forth in Resolution No.47-10,
20 adopted by this Board on February 9, 2010.

21 Section 28. General Authority. The Clerk of the Board of Supervisors, the Mayor, the
22 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each
23 authorized and directed in the name and on behalf of the City to take any and all steps and to
24 issue, deliver or enter into any and all certificates, requisitions, agreements, notices, consents,
25 and other documents as may be necessary to give effect to the provisions of this Resolution,

1 including but not limited to letters of representations to any depository or depositories, which
2 they or any of them might deem necessary or appropriate in order to consummate the lawful
3 issuance, sale and delivery of the Series 2012E Bonds.

4
5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA, City Attorney

7
8
9 By:


10 Mark D. Blake
11 Deputy City Attorney



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 120533

Date Passed: June 12, 2012

Resolution authorizing and directing the sale of not to exceed \$40,410,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds, Series 2012E; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive sale; approving the forms of official notice of sale and notice of intention to sell bonds; directing the publication of the notice of intention to sell bonds; approving the form of the preliminary official statement and the form and execution of the official statement relating to the sale of said bonds; approving the form of the continuing disclosure certificate; authorizing and approving modifications to documents; declaring the City's intent to reimburse certain expenditures; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds.

June 06, 2012 Budget and Finance Sub-Committee - RECOMMENDED

June 12, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120533

I hereby certify that the foregoing
Resolution was ADOPTED on 6/12/2012 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved