

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

\$_____,000
Senior Sales Tax Revenue Bonds (Limited Tax Bonds),
Series 2017

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated _____, 2017, is executed and delivered by the San Francisco County Transportation Authority (the “Transportation Authority”) in connection with the issuance by the Transportation Authority of its Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds are being issued under a Third Amended and Restated Indenture, dated as of November 1, 2017, as supplemented by a First Supplemental Indenture dated as of November 1, 2017 (collectively, the “Indenture”), by and between the Transportation Authority and U.S. Bank National Association, as trustee. The Transportation Authority covenants and agrees with respect to the Series 2017 Bonds as follows:

SECTION 1. Nature of the Disclosure Certificate. This Disclosure Certificate is executed for the benefit of the Holders (as defined below) and Beneficial Owners (as defined below) of the Series 2017 Bonds from time to time, and in order to assist the Participating Underwriter (as defined below) in complying with the Rule (as defined below).

SECTION 2. Definitions. Unless otherwise defined in this Disclosure Certificate or this Section, all capitalized terms shall have the meaning ascribed to them in the Indenture:

“*Annual Report*” means the Annual Report provided by the Transportation Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” means any person who: (a) has or shares the power, directly or indirectly, to make investment decisions concerning the ownership of any Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories, or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Series 2017 Bonds or to dispose of ownership in any Series 2017 Bonds; or (b) is treated as the owner of any Series 2017 Bonds for federal income tax purposes.

“*Dissemination Agent*” means the Transportation Authority, or any successor Dissemination Agent designated in writing by the Transportation Authority and which has filed with the Transportation Authority a written acceptance of such designation.

“*Holder*” means the registered owner of any Series 2017 Bond, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission (“SEC”) to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“*Official Statement*” means the Official Statement dated _____, 2017 relating to the Series 2017 Bonds.

“*Participating Underwriter*” means the original purchaser(s) of the Series 2017 Bonds required to comply with the Rule in connection with the offering of the Series 2017 Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*State*” means the State of California.

SECTION 3. Provision of Annual Reports.

(a) The Transportation Authority shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of the Transportation Authority’s fiscal year (which is June 30), commencing with the report for the 2016-2017 fiscal year (which is due not later than March 30, 2018, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the Transportation Authority, the Transportation Authority shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Transportation Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Transportation Authority’s fiscal year changes, the Transportation Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(c) hereof. Neither the Trustee nor the Dissemination Agent (if the Dissemination Agent is other than the Transportation Authority) shall have any duties or responsibilities with respect to the contents of the Annual Report.

(b) If the Transportation Authority is unable to provide an Annual Report to the MSRB by the date required in subsection (a), the Transportation Authority shall submit notice thereof to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Transportation Authority) (1) file a report with the Transportation Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date

it was provided to the MSRB, and (2) take any other actions mutually agreed to between the Dissemination Agent and the Transportation Authority.

SECTION 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following financial information or operating data, as required by the Rule:

(a) The audited financial statements of the Transportation Authority for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated to apply to government entities from time to time by the Governmental Accounting Standards Board. If the Transportation Authority's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) of this Disclosure Certificate, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) An update (as of the most recently ended fiscal year of the Transportation Authority) for the table entitled "Historical Proposition K Sales Tax Revenues" set forth in the Official Statement under the caption "THE SALES TAX – Historical Sales Tax Revenues" and an update for the table entitled "Debt Service Schedule" set forth in the Official Statement under the caption "DEBT SERVICE SCHEDULE – San Francisco County Transportation Authority Debt Service Schedule" (to include any subsequently issued obligations secured by and payable from Sales Tax Revenues and having a lien on Sales Tax Revenues on a parity with the Series 2017 Bonds).

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Transportation Authority, which have been made available to the public on the MSRB's EMMA website. The Annual Report shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Transportation Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2017 Bonds not later than ten (10) business days after the occurrence of the event:

- (1) principal or interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2017 Bonds or other material events affecting the tax status of the Series 2017 Bonds;
- (7) modifications to the rights of Holders, if material;
- (8) optional, contingent, or unscheduled bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2017 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar proceedings of the Transportation Authority, as further described below;
- (13) the consummation of a merger, consolidation or acquisition involving the Transportation Authority or the sale of all or substantially all of the assets of the Transportation Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (14) appointment of a successor or additional trustee or the change of the name of a trustee, if material.

Note: for the purposes of the event described in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Transportation Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Transportation Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court

or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Transportation Authority.

(b) The Transportation Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(c).

(c) If the Transportation Authority learns of the occurrence of a Listed Event, the Transportation Authority shall file a notice in electronic format of such occurrence, within ten (10) business days of the occurrence, with the MSRB, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(8) or (a)(9) need not be given under this subsection any earlier than the notice, if any, of the underlying event is given to Holders of affected Series 2017 Bonds under the Indenture.

SECTION 6. Termination of Obligations. The Transportation Authority's obligations under this Disclosure Certificate shall terminate with respect to any Series 2017 Bonds upon the maturity, legal defeasance, prior redemption or acceleration and payment of such Series 2017 Bonds. If such termination occurs prior to the final maturity of the Series 2017 Bonds, the Transportation Authority shall give notice of such termination in the same manner for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Transportation Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out the obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days' written notice to the Transportation Authority. The Dissemination Agent shall not be responsible in any manner for the form or the content of any notice or report prepared by the Transportation Authority pursuant to this Disclosure Certificate

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Transportation Authority may amend or waive any provision of this Disclosure Certificate provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 5(b), 5(c) or 8(a) of this Disclosure Certificate, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2017 Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair

the interests of the Holders or Beneficial Owners. The Transportation Authority also may amend this Disclosure Certificate without approval by the Holders to the extent permitted by rule, order or other official pronouncement of the SEC.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Transportation Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented about the Transportation Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a notice under Section 5(b) hereof, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Transportation Authority or the Dissemination Agent (if the Dissemination Agent is other than the Transportation Authority) from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Transportation Authority or the Dissemination Agent (if the Dissemination Agent is other than the Transportation Authority) chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, neither the Transportation Authority nor the Dissemination Agent (if the Dissemination Agent is other than the Transportation Authority) shall have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Participating Underwriter, the Holders and Beneficial Owners from time to time of the Series 2017 Bonds, and shall create no rights in any other person or entity (except the right of the Dissemination Agent (if the Dissemination Agent is other than the Transportation Authority) to enforce the provisions of this Disclosure Certificate on behalf of the Holders).

SECTION 11. Default. In the event of a failure of the Transportation Authority to comply with any provision of this Disclosure Certificate, the trustee may (and, at the request of any Participating Underwriter or of the Holders or Beneficial Owners of at least 25% aggregate principal amount of Outstanding Series 2017 Bonds, shall), or any Participating Underwriter, Holder or Beneficial Owner, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Transportation Authority to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the City and County of San Francisco, State of California. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture. This Disclosure Certificate shall not be deemed to create any monetary liability on the part of the Transportation Authority to any person, including

Holders. The sole remedy in the event of any failure of the Transportation Authority to comply with this Disclosure Certificate shall be an action to compel performance of any act required hereunder.

SECTION 12. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Transportation Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Holders shall retain all the benefits afforded to them hereunder. The Transportation Authority hereby declares that it would have executed and delivered this Disclosure Certificate and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 14. Governing Law; Venue. The laws of the State shall govern this Disclosure Certificate, the interpretation thereof and any right or liability arising hereunder. Any action or proceeding to enforce or interpret any provision of this Disclosure Certificate shall be brought, commenced or prosecuted in the City and County of San Francisco, California.

**SFCTA SERIES 2017-A
CONTINUING DISCLOSURE CERTIFICATE**

IN WITNESS WHEREOF, the Transportation Authority has caused this Disclosure Certificate to be executed by its Executive Director as of the date first above written.

SAN FRANCISCO COUNTY
TRANSPORTATION AUTHORITY

By: _____
Tilly Chang
Executive Director

DRAFT

EXHIBIT A

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Name of Bond Issue: SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
\$_____,000
Senior Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2017

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the San Francisco County Transportation Authority (the "Transportation Authority") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated the Date of Issuance, of the Transportation Authority. The Transportation Authority anticipates that the Annual Report will be filed by _____.

Dated: _____

SAN FRANCISCO COUNTY
TRANSPORTATION AUTHORITY

