

**APPENDIX G**

This Official Notice of Sale does not alone constitute an invitation for bids but is merely notice of the sale of the Series 2017 Bonds described herein. The invitation for bids on such Series 2017 Bonds is being made by means of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement.

**OFFICIAL NOTICE OF SALE**

**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**

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

NOTICE IS HEREBY GIVEN, that electronically submitted bids will be received on \_\_\_\_\_, 2017 (the "Bid Date"), by the San Francisco County Transportation Authority (the "Transportation Authority"), at the time and in the manner described below, for the purchase of the \$ \_\_\_\_\_,000\* principal amount of the Transportation Authority's Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the "Series 2017 Bonds"), expected to be dated and delivered on the Closing Date (defined herein). The Series 2017 Bonds will be sold on an all-or-none basis. Bidding procedures and sale terms are as follows.

The Transportation Authority reserves the right, prior to the acceptance of bids, to modify or amend this Official Notice of Sale (this Official Notice of Sale, together with any modifications or amendments, is referred to herein as the "Official Notice of Sale"), including (but not limited to) changing any or all of the following: (i) the aggregate principal amount of the Series 2017 Bonds, (ii) the principal amount of each maturity, and (iii) the requirements relating to the interest rates on or purchase price for the Series 2017 Bonds. Any such modifications or amendments will be announced via Thomson Municipal News on Thomson Municipal Market Monitor ([www.TM3.com](http://www.TM3.com)) (the "News Service") and posted on the Bid Service (defined herein) not later than 1:00 p.m. California time on [day prior to bid date], \_\_\_\_\_, 2017, which is one day prior to the Bid Date (provided that any delay in making such modification or amendment shall not affect the validity of the sale of the Series 2017 Bonds). Failure of any bidder to receive such notice from the News Service will not affect the legality of the sale. Bidders are required to bid upon the Series 2017 Bonds in accordance with this Official Notice of Sale. The Transportation Authority reserves the right to postpone or cancel the sale of the Series 2017 Bonds at any time.

Any questions on the bidding procedures and sale terms set forth in this Official Notice of Sale, or any modification or amendment thereof, or any postponement or cancellation of the sale of the Series 2017 Bonds, should be directed to KNN Public Finance, LLC ("Financial Advisor"), Attention: Bobby Cheung (email: [bcheung@knninc.com](mailto:bcheung@knninc.com) / phone: 510-208-8214) and Melissa Shick (email: [mshick@knninc.com](mailto:mshick@knninc.com) / phone: 510-208-8226).

**ISSUE:** The Series 2017 Bonds are described in the Preliminary Official Statement dated \_\_\_\_\_, 2017 (the "Preliminary Official Statement").

**THE SERIES**

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\* Preliminary, subject to change.

- 2017 BONDS:** The Series 2017 Bonds will be issued pursuant to 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 “Trustee”). The Series 2017 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2017 Bonds. Individual purchases will be made in book-entry form only, and purchasers will not receive bond certificates representing their interests in the Series 2017 Bonds purchased.
- TIME:** Bids must be delivered at or before [9:00] a.m. California time on the Bid Date.
- PLACE:** Bidders must deliver bids electronically as described under “ELECTRONIC BIDS” below.

**Important Note: This Official Notice of Sale will be submitted to i-Deal LLC (“i-Deal”) for posting at the TM3 website and in the Parity bid delivery system. In the event i-Deal’s summary of the terms of sale of the Series 2017 Bonds disagrees with this Official Notice of Sale in any particulars, the terms of this Official Notice of Sale (as amended, if necessary with notice of any amendment hereto to be given as described above) shall control.**

Each bidder (and not the Transportation Authority) is responsible for the timely delivery of its bid. The official time will be determined by the Transportation Authority and not by any bidder or the Bid Service (defined below). Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Preliminary Official Statement.

#### **DESCRIPTION OF THE SERIES 2017 BONDS**

**EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED THE PRELIMINARY OFFICIAL STATEMENT PRIOR TO BIDDING FOR THE SERIES 2017 BONDS. THE DESCRIPTION OF THE SERIES 2017 BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.**

**SECURITY:** The Series 2017 Bonds will be special obligations of the Transportation Authority payable solely from Sales Tax Revenues and certain other funds pledged under the Indenture. Sales Tax Revenues consist of the Transportation Authority’s receipts of a one-half of one percent (½%) retail transactions and use tax imposed to finance street, road, highway, public transit and other transportation-related improvements in the incorporated and unincorporated territory of the City and County of San Francisco (the “County”), less an administrative fee paid to the California Department of Tax and Fee Administration (as successor to the California State Board of Equalization) in connection with the collection and disbursement of the Sales Tax. In addition, the Series 2017 Bonds are secured by amounts, if any, on deposit in certain funds and accounts established under the Indenture. Additional sales tax revenue bonds secured on a parity with the Series 2017 Bonds may be issued by the Transportation Authority under the Indenture upon compliance with the additional bonds requirements set forth therein.

The Series 2017 Bonds will be secured under the Indenture. A Holder of the Series 2017 Bonds will have no claim on the revenues or funds securing any other series of bonds issued by the Transportation Authority, except to the limited extent set forth in the Indenture and described in the

Preliminary Official Statement under the heading: “SECURITY AND SOURCES OF PAYMENT FOR THE OF SERIES 2017 BONDS.”

Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision or agency thereof, other than the Transportation Authority to the extent of the Sales Tax Revenues and certain other amounts held by the Trustee under the Indenture, is pledged to the payment of the principal of or interest on the Series 2017 Bonds. The Transportation Authority has no power to levy any taxes other than the Sales Tax to pay the principal of, redemption price, if any, or interest on the Series 2017 Bonds. See the Preliminary Official Statement – “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

**BOOK-ENTRY ONLY:** The Series 2017 Bonds shall be issued in registered form by means of a book-entry-only system with no distribution of the Series 2017 Bonds made to the public. One Series 2017 Bond representing each Series 2017 Bond maturity date and interest rate will be issued to The Depository Trust Company (“DTC”) and registered in the name of Cede & Co., its nominee. The book-entry-only system will evidence ownership of the Series 2017 Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC.

**PAYMENT OF DTC FEES:** The Transportation Authority will submit or cause to be submitted all requisite documents to DTC for DTC-eligibility purposes. However, the successful bidder (the “Purchaser”) will be responsible for the payment of all fees charged by DTC.

**PRINCIPAL:** The Series 2017 Bonds will mature, or be subject to mandatory sinking account redemption, on the dates and in the principal amounts shown below. Bidders may specify which maturity or maturities of the Series 2017 Bonds will be subject to mandatory sinking account redemption (the “Term Bonds”). See “REDEMPTION” below. The principal amount of the Series 2017 Bonds and any maturity are subject to adjustments after the awarding of the Series 2017 Bonds, as provided in “ADJUSTMENT OF PRINCIPAL AMOUNTS AFTER THE RECEIPT OF BIDS.”

| <u>Maturity Date<br/>(February 1)</u> | <u>Maturing<br/>Principal Amount</u> |
|---------------------------------------|--------------------------------------|
| 2020                                  | \$,000                               |
| 2021                                  | ,000                                 |
| 2022                                  | ,000                                 |
| 2023                                  | ,000                                 |
| 2024                                  | ,000                                 |
| 2025                                  | ,000                                 |
| 2026                                  | ,000                                 |
| 2027                                  | ,000                                 |
| 2028                                  | ,000                                 |
| 2029                                  | ,000                                 |
| 2030                                  | ,000                                 |
| 2031                                  | ,000                                 |
| 2032                                  | ,000                                 |
| 2033                                  | ,000                                 |
| 2034                                  | ,000                                 |

**INTEREST:** Bidders must specify the rate or rates of interest that the Series 2017 Bonds will bear, subject to the following limitations. Interest will accrue from the date of delivery of the Series 2017 Bonds (the “Closing Date”), which is expected to occur on [\_\_\_\_\_], 2017. Interest on the Series 2017 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2017 Bonds will be payable on February 1 and August 1 of each year beginning February 1, 2018\*. Bidders may specify any number of separate rates and the same rate or rates may be repeated as often as desired, but:

- No Series 2017 Bond shall bear a zero rate of interest;
- No Series 2017 Bond shall bear more than one rate of interest;
- Each interest rate specified in any bid must be a multiple of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum; [and]
- Each Series 2017 Bond shall bear interest from its date to its stated maturity date or earlier redemption at the interest rate specified in the applicable bid[; and]
- [Additional parameters may be included closer to pricing date].

**REDEMPTION:** The Series 2017 Bonds maturing on or before November 1, [2027] are not subject to optional redemption prior to their maturity dates. The Series 2017 Bonds maturing on and after November 1, [2028] are subject to redemption prior to their stated maturity dates, at the option of the Transportation Authority, from any available funds, in whole or in part, by lot within any maturity, on any date on or after November 1, [2027], at the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

The successful bidder may specify that any Series 2017 Bonds maturing on or after November 1, [2028], are to be one or more Term Bonds with mandatory sinking account payments, provided that no Series 2017 Bonds maturing on or before November 1, [2027], may be combined as part of a Term Bond. Term Bonds will be subject to redemption prior to their stated maturity date, in part, at the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium, and shall be paid at maturity from mandatory sinking account payments.

**PURCHASE PRICE:** The purchase price bid for the Series 2017 Bonds may not be less than one hundred percent (100.00%) of the principal amount of the Series 2017 Bonds.

**DETERMINATION OF ISSUE PRICE:**

(a) The Purchaser shall assist the Transportation Authority in establishing the issue price of the Series 2017 Bonds in accordance with certain requirements of the Internal Revenue Code of 1986, as amended, and shall execute and deliver to the Transportation Authority on the Closing Date an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2017 Bonds, together with the supporting pricing wires or equivalent communications, substantially in one of the forms attached as Exhibit A to the Official Bid Form, which Official Bid Form is attached hereto as Exhibit 1, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Transportation Authority and Bond Counsel (defined herein). All actions to be taken by the Transportation Authority under this Official Notice of Sale to establish the issue price of the Series 2017 Bonds may be taken on behalf of the Transportation Authority by the Transportation Authority’s Financial Advisor, and any notice or report to be provided to the Authority may be provided to the Transportation Authority’s Financial Advisor.

(b) The Transportation Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2017 Bonds) will apply to the initial sale of the Series 2017 Bonds (the “Competitive Sale Requirements”) because:

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\* Preliminary; subject to change.

- (1) this Official Notice of Sale will be disseminated by the Transportation Authority or on the Transportation Authority's behalf to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters (defined herein);
- (2) all bidders will have an equal opportunity to bid;
- (3) the Transportation Authority anticipates receiving bids from at least three Underwriters of municipal obligations who have established industry reputations for underwriting new issuances of municipal obligations; and
- (4) the Transportation Authority anticipates awarding the sale of the Series 2017 Bonds to the bidder who submits a firm offer to purchase the Series 2017 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.
- (5) any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Series 2017 Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the Transportation Authority shall so advise the Purchaser. In such event, the Transportation Authority will treat the first single price at which 10% of each Maturity (defined herein) of the Series 2017 Bonds is sold to the public (the "10% Test") as the issue price of that Maturity EXCEPT any Maturity of the Series 2017 Bonds identified by the Purchaser on the bid form and confirmed on the date of the award as a hold-the-offering-price Maturity (each, an "HTP Maturity"). Each HTP Maturity will be subject to the "Hold-the-Offering-Price Rule" further described in subsection (e) below. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

(d) In the event that the Competitive Sale Requirements are not satisfied, the Purchaser shall advise the Transportation Authority, within four hours of the time of award of the Series 2017 Bonds, which Maturities of the Series 2017 Bonds satisfy the 10% Test as of the date of sale, and confirm any HTP Maturities which shall be subject to the Hold-the-Offering-Price Rule. For each Maturity of the Series 2017 Bonds that does not then satisfy the 10% Test, except for any HTP Maturity identified on its bid form and confirmed, the Purchaser agrees to promptly report to the Transportation Authority the prices at which the unsold Series 2017 Bonds of that Maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Series 2017 Bonds of that Maturity or until all Series 2017 Bonds of that Maturity have been sold.

(e) By submitting a bid, the bidder (i) confirms that the Underwriters have offered or will offer the Series 2017 Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the bidder and (ii) on behalf of the Underwriters participating in the purchase of the Series 2017 Bonds, for each HTP Maturity identified and confirmed by the Purchaser, that the Underwriters will neither offer nor sell unsold Series 2017 Bonds of any such HTP Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

- (2) the date on which the Underwriters have sold at least 10% of that HTP Maturity to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the Transportation Authority when the Underwriters have sold 10% of each HTP Maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(f) The Transportation Authority acknowledges that, in making the representation set forth in (e) above, the Purchaser will rely upon (i) the agreement of each Underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The Transportation Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Series 2017 Bonds.

(g) By submitting a bid, each bidder confirms that any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each Maturity allotted to it until it is notified by the Purchaser that either the 10% Test has been satisfied as to the Series 2017 Bonds of that Maturity or all Series 2017 Bonds of that Maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Rule, in the event that the bidder intends to utilize the Hold-the-Offering-Price Rule, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires.

(h) Sales of any Series 2017 Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (1) “Public” means any person other than an Underwriter or a Related Party;
- (2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Transportation Authority (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the public);

- (3) “Maturity” means Series 2017 Bonds with the same credit and payment terms. Series 2017 Bonds with different maturity dates, or Series 2017 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities;
- (4) a purchaser of any of the Series 2017 Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- (5) “Sale Date” means the date that the Series 2017 Bonds are awarded by the Transportation Authority to the Purchaser.

**TAX EXEMPTION:** Upon delivery of the Series 2017 Bonds, Bond Counsel, Nixon Peabody LLP (“Bond Counsel”), will deliver an opinion for the Series 2017 Bonds to the effect that in the opinion of such Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, interest on the Series 2017 Bonds is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes but is, however, included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In the further opinion of Bond Counsel, interest on the Series 2017 Bonds is exempt from State of California personal income taxes. See the Preliminary Official Statement — “TAX MATTERS” and APPENDIX D — “FORM OF BOND COUNSEL APPROVING OPINION,” and see also “CERTIFICATES TO BE COMPLETED BY THE PURCHASER PRIOR TO CLOSING” below.

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**LEGAL OPINION ON THE VALIDITY AND PAYMENT OF THE BONDS:** The opinion of the Bond Counsel referred to in the Preliminary Official Statement under “CERTAIN LEGAL MATTERS,” the proposed form of which is included in APPENDIX D — “FORM OF BOND COUNSEL APPROVING OPINION” to the Preliminary Official Statement, will be furnished to the Purchaser on the Closing Date.

**LITIGATION CERTIFICATE:** The Purchaser will also be furnished a customary certificate of the Transportation Authority that, to its knowledge, other than as disclosed in the Official Statement there is not now pending (with service of process having been completed) or threatened any litigation (a) seeking to restrain or enjoin the sale, issuance, execution or delivery of the Series 2017 Bonds or the undertaking of any activities with respect to the Series 2017 Bonds, the Indenture, or the levy and collection of the Sales Tax Revenues, which the Official Statement describes as activities that the

Transportation Authority has undertaken or will undertake, or (b) challenging the validity of the Series 2017 Bonds, the Indenture, levy and collection of the Sales Tax Revenues, the Continuing Disclosure Certificate, or any other document, license, permit or approval necessary to the execution and delivery of the Series 2017 Bonds or any proceeding of the Transportation Authority relating to the Series 2017 Bonds. For purposes of the above certifications, the term “to its knowledge” does not include the performance of a docket search of federal or state court filings. The term “to its knowledge” does include discussions with senior legal staff and executive staff within the Transportation Authority responsible for coordinating and managing litigation matters for the Transportation Authority. For purposes of the above certifications, no matter will be deemed to be “threatened” litigation because it is the subject of an administrative claim or matter. Accordingly, there may be litigation matters pending or threatened of which the Transportation Authority has no actual knowledge.

**ADDITIONAL INFORMATION:** Prospective bidders are advised to read the entire Preliminary Official Statement. The Preliminary Official Statement is available at <http://www.munios.com>.

### TERMS OF THE SALE

**FORM OF BID:** Each bid shall be submitted by completing the form attached hereto as Exhibit 1, must be unconditional and must conform to the parameters provided under “PURCHASE PRICE” herein. By submitting a bid, the bidder agrees to all of the terms and conditions of this Official Notice of Sale. In submitting a bid, each bidder acknowledges that the bid is an offer to purchase all of the Series 2017 Bonds, and if accepted, will become a contract to purchase such Series 2017 Bonds on the terms contained herein. *All bids shall be deemed to incorporate all of the applicable terms of this Official Notice of Sale.*

Solely as an accommodation to bidders, the Transportation Authority will accept bids delivered electronically through iDeal’s BIDCOMP/Parity system (the “Bid Service”). Further information about the Bid Service, including any fees charged and registration requirements, may be obtained from:

- iDeal  
BIDCOMP Competitive Bidding System and Parity Electronic Bid Submission System  
395 Hudson Street  
New York, NY 10014  
Phone: (212) 806-8304  
Fax: (212) 989-9281  
Internet address: <http://www.tm3.com>

Each bidder submitting an electronic bid agrees by doing so that (i) it is solely responsible for all arrangements with the Bid Service, (ii) the Bid Service is not acting as an agent of the Transportation Authority, and (iii) the Transportation Authority is not responsible for ensuring or verifying bidder compliance with the Bid Service’s procedures. The Transportation Authority is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through the Bid Service. Instructions for submitting electronic bids must be obtained by each bidder from the Bid Service. The Transportation Authority shall be entitled to assume that any bid received via the Bid Service has been made by a duly authorized agent of the bidder. *If any provision of this Official Notice of Sale conflicts with information provided by the Bid Service, this Official Notice of Sale shall control.*



If a bidder submits an electronic bid for the Series 2017 Bonds, such bidder thereby agrees to the following terms and conditions: (i) If any provision in this Official Notice of Sale with respect to the Series 2017 Bonds conflicts with information or terms provided or required by the Bid Service, this Official Notice of Sale, including any amendments issued through the News Service, shall control; (ii) each bidder shall be solely responsible for making necessary arrangements to access the Bid Service for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale; (iii) the Transportation Authority shall not have any duty or obligation to provide or assure access to the Bid Service to any bidder, and the Transportation Authority shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of the Bid Service or any incomplete, inaccurate or untimely bid submitted by any bidder through the Bid Service; (iv) the Transportation Authority is using the Bid Service as a communication mechanism, and not as an agent of the Transportation Authority, to conduct the electronic bidding for the Series 2017 Bonds; (v) the Bid Service is acting as an independent contractor, and is not acting for or on behalf of the Transportation Authority; (vi) the Transportation Authority is not responsible for ensuring or verifying bidder compliance with any procedures established by the Bid Service; (vii) the Transportation Authority may regard the electronic transmission of a bid through the Bid Service (including information regarding the purchase price for the Series 2017 Bonds and interest rates for any maturity of the Series 2017 Bonds) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory; (viii) if the bidder's bid is accepted by the Transportation Authority, the Official Bid Form, this Official Notice of Sale and the information that is transmitted electronically through the Bid Service shall form a contract, and the bidder shall be bound by the terms of such contract; (ix) information provided by the Bid Service to bidders shall form no part of any bid or any contract between the Purchaser and the Transportation Authority unless that information is included in this Official Notice of Sale provided by the Transportation Authority.

**WARNINGS REGARDING ELECTRONIC BIDS:** THE TRANSPORTATION AUTHORITY WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY, THAT THE TRANSPORTATION AUTHORITY NEITHER ENDORSES NOR EXPLICITLY ENCOURAGES THE USE OF PARITY AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE TRANSPORTATION AUTHORITY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE TRANSPORTATION AUTHORITY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE TRANSPORTATION AUTHORITY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE TRANSPORTATION AUTHORITY WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER, THE TRANSPORTATION AUTHORITY, THE FINANCIAL ADVISOR, BOND COUNSEL AND DISCLOSURE COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE TRANSPORTATION AUTHORITY AT THE PLACE OF BID OPENING, AND THE TRANSPORTATION AUTHORITY SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME. THE TRANSPORTATION AUTHORITY ASSUMES NO RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE DEADLINE FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED. IN THE EVENT OF A MALFUNCTION IN THE ELECTRONIC BIDDING PROCESS, BIDDERS

SHOULD SUBMIT THEIR BIDS ON THE OFFICIAL BID FORM ATTACHED HERETO BY FAX TO: (510) 208-8282, ATTENTION: BOBBY CHEUNG.

**GOOD FAITH DEPOSIT:** The successful bidder for the Series 2017 Bonds (the “Purchaser”) is required to provide, not more than two hours after the communication of the award of its bid by the Transportation Authority, a good faith deposit in the amount of \$\_\_\_\_,000 (the “Good Faith Deposit”) by wire transfer in immediately available funds to the Trustee for and on the account of the Transportation Authority. The Purchaser may obtain the wire instructions for the wire transfer by submitting a written request by email to the Transportation Authority’s Financial Advisor ([bcheung@knninc.com](mailto:bcheung@knninc.com) and [mshick@knninc.com](mailto:mshick@knninc.com)), referencing “SFCTA Series 2017” in the email subject line. Potential bidders may request the wire instructions in advance of bidding. However, the Good Faith Deposit need only be provided following the award of the Series 2017 Bonds. If the Good Faith Deposit is not received from the Purchaser within the timeframe described above, the Transportation Authority reserves the right to rescind the award of the Series 2017 Bonds.

Upon receipt of the Good Faith Deposit, the Trustee may invest the proceeds of the Good Faith Deposit for the account of the Transportation Authority in accordance with the Indenture. On the Closing Date, the Purchaser shall pay, or cause to be paid, the purchase price of the Series 2017 Bonds, less the amount of such Good Faith Deposit. If the Purchaser fails to accept delivery of and pay for any of the Series 2017 Bonds on the Closing Date as provided in this Official Notice of Sale, such deposit shall be retained by the Trustee for and on behalf of the Transportation Authority as and for full liquidated damages for the failure of the Purchaser to accept delivery of and pay for the Series 2017 Bonds. The retention of such deposit shall constitute a full release and discharge of all claims and rights of the Transportation Authority against the Purchaser on account of such failure and a waiver of any right the Transportation Authority may have to any additional damages for such failure. By submitting a bid, the Purchaser waives any right to claim that actual damages resulting from such failure are less than the amount of such Good Faith Deposit, and agrees that the amount of such Good Faith Deposit is a reasonable estimate of damages that the Transportation Authority may suffer in the event of such failure.

**No interest will be paid by the Transportation Authority on the Good Faith Deposit.**

**BASIS OF THE AWARD:** The Series 2017 Bonds will be awarded to the bidder whose bid as submitted (and without regard to any adjustment of the principal amount after the receipt of bids) will result in the lowest true interest cost (“TIC”) to the Transportation Authority for such Series 2017 Bonds as determined by the Transportation Authority. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount the debt service payments on all of the Series 2017 Bonds to the Closing Date of the Series 2017 Bonds, results in an amount equal to the purchase price bid for all of the Series 2017 Bonds. In the event that two or more bidders offer bids at the same lowest TIC for the Series 2017 Bonds, the bidder that submitted the winning bid first to the Bid Service, as determined by the Transportation Authority, shall be awarded the Series 2017 Bonds. The accepted bidder shall submit a Reoffering Price Certificate in the form attached as Appendix A to the Official Bid Form, all as described under **“DESCRIPTION OF THE SERIES 2017 BONDS - DETERMINATION OF ISSUE PRICE”** herein.

**RIGHT OF WAIVER OR REJECTION:** The Transportation Authority reserves the right to reject any or all bids. The Transportation Authority also reserves the right to waive, without limitation, any irregularity or informality with respect to any bid, except the time of receipt of electronic bids.

**MULTIPLE BIDS FROM A SINGLE BIDDER:** In the event multiple bids for the Series 2017 Bonds are received from a single bidder, the Transportation Authority shall be entitled to accept the bid

with the lowest TIC for the Series 2017 Bonds, calculated in accordance with this Official Notice of Sale, as determined by the Transportation Authority, from among all such bids, and each bidder agrees by submitting any bid to be bound by such lowest bid unless such bid is unambiguously withdrawn prior to the deadline for receiving bids. See “BASIS OF THE AWARD.”

**PROMPT AWARD; SUBMISSION OF SIGNED BID:** The Transportation Authority will take prompt action awarding the Series 2017 Bonds or rejecting all bids for such Series 2017 Bonds not later than 24 hours after the time specified for receipt of bids, unless such time is waived by the Purchaser. Formal notice of award will be given promptly by telephone by the Transportation Authority to the Purchaser and shall constitute acceptance by the Transportation Authority of the Purchaser’s offer to purchase all the Series 2017 Bonds on the terms contained herein and in such bid. Bid evaluations or rankings by the Bid Service are not binding on the Transportation Authority.

The Transportation Authority will furnish to the Purchaser a copy of its winning bid. The Purchaser must ensure that a signed copy of its bid is submitted by email to the Transportation Authority ([Cynthia.fong@sfcta.org](mailto:Cynthia.fong@sfcta.org)), referencing “SFCTA Series 2017” in the email subject line, not later than 60 minutes after receiving notification of the award of the Series 2017 Bonds; the Transportation Authority will then promptly execute the acceptance of the bid.

**INSURANCE:** No bids with municipal bond insurance will be accepted.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Series 2017 Bonds, but neither the failure to print such numbers on any Series 2017 Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for Series 2017 Bonds in accordance with the terms contained herein and in the accepted bid. The Purchaser shall provide the CUSIP numbers to the Transportation Authority.

**EXPENSES OF PURCHASER:** The Purchaser will be responsible for the CUSIP Service Bureau charges, the California Debt and Investment Advisory Commission fees (California Government Code Section 8856), DTC charges and all its other expenses related to the bidding, purchase and delivery of the Series 2017 Bonds. The cost of preparing the Series 2017 Bonds will be borne by the Transportation Authority.

**ADJUSTMENT OF PRINCIPAL AMOUNTS AFTER THE RECEIPT OF BIDS:** Following the award of the Series 2017 Bonds, the total principal amount of the Series 2017 Bonds and the principal amounts of one or more maturities of the Series 2017 Bonds may be increased or decreased in \$5,000 increments to reflect the interest rates and purchase price specified in the winning bid and the reoffering prices certified by the Purchaser, or to accommodate certain requirements or preferences of the Transportation Authority, including, but not limited to, achieving substantially level annual debt service on the basis of the Transportation Authority’s fiscal year. Subsequent to any adjustment of the principal amount, the original dollar amount bid will be adjusted to reflect the changes to the principal amount of the Series 2017 Bonds. Any such adjustment may change the total (but not the per Series 2017 Bond compensation) dollar amount of underwriter’s discount, if any, that would have been received based on the original bid price and the reoffering prices in the winning bid. Any such adjustments will be communicated to the Purchaser within 24 hours after the acceptance of bids. Any such adjustments in the principal amount and purchase price made as described above will not affect the determination of the Purchaser or give the Purchaser any right to reject the Series 2017 Bonds. In addition, adjustments in the maturity schedule for the Series 2017 Bonds may also be made prior to the acceptance of bids as described above in the second paragraph of this Official Notice of Sale.

**QUALIFICATION FOR SALE; COMPLIANCE WITH BLUE SKY:** The Transportation Authority will furnish, or cause to be furnished, such information, execute or cause to be executed such instruments and take or cause to be taken such other reasonable action in cooperation with the Purchaser, as the Purchaser may deem necessary in order to qualify the Series 2017 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate; *provided, however,* that the foregoing shall not require the Transportation Authority to register as a dealer or broker or execute a consent to service of process or to qualify as a foreign corporation in connection with such qualification, in any foreign jurisdiction, or to comply with any other requirements reasonably deemed by the Transportation Authority to be unduly burdensome.

**The Purchaser may not sell, offer to sell or solicit any offer to buy, Series 2017 Bonds in any jurisdiction where it is unlawful for the Purchaser to make such sale, offer or solicitation, and the Purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Series 2017 Bonds.**

**SALES OUTSIDE OF THE UNITED STATES:** The Purchaser shall not sell Series 2017 Bonds in the initial offering to investors, the sale to whom would require qualification under foreign law, and shall not sell any of the Series 2017 Bonds outside of the United States.

**CERTIFICATES TO BE COMPLETED BY THE PURCHASER PRIOR TO CLOSING:**

*Issue Price Certificate.* See “**DETERMINATION OF ISSUE PRICE**” for a description of the “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Series 2017 Bonds, which shall be submitted in connection with the award and purchase of the Series 2017 Bonds.

*Closing Certificate Concerning Official Statement.* As a condition of delivery of the Series 2017 Bonds, the Purchaser will be required to execute and deliver to the Transportation Authority, prior to the Closing Date, a certificate to the following effect:

(i) The Purchaser, as the initial purchaser of the Series 2017 Bonds, has provided to the Transportation Authority the initial reoffering prices or yields on the Series 2017 Bonds as printed in the Official Statement.

(ii) The Purchaser has not undertaken any responsibility for the contents of the Official Statement; however, the Purchaser, in accordance with and as part of its responsibilities under Federal securities laws, has reviewed the information in the Official Statement and has not notified the Transportation Authority of the need to modify or supplement the Official Statement.

**DELIVERY AND PAYMENT:** The Series 2017 Bonds will be made available to the Purchaser for inspection by electronic means, at least two business days prior to the Closing Date. Payment for the Series 2017 Bonds must be made on the Closing Date no later than 8:00 a.m. California time in San Francisco, California, in the form of a wire transfer of immediately available funds to the order of the Transportation Authority. The Purchaser has the right, at its option, to cancel its obligation to purchase the Series 2017 Bonds if the Transportation Authority fails to deliver the Series 2017 Bonds as described above for a Closing Date within 60 days from the award to the Purchaser; in that event the Purchaser exercising its option will be entitled to the return (without payment of interest) of its Good Faith Deposit.

**PRELIMINARY OFFICIAL STATEMENT/OFFICIAL STATEMENT:** Based in part on a certificate of the Transportation Authority, the Transportation Authority deems the Preliminary Official

Statement, for purposes of subsection (b)(1) of Securities and Exchange Commission Rule 15c2-12 (the “SEC Rule”), to be final as of its date, except for information permitted by the SEC Rule to be omitted from the Preliminary Official Statement. The Preliminary Official Statement shall be subject to amendment or modification as deemed necessary by the Transportation Authority.

Within seven business days after the award of the Series 2017 Bonds and no later than one business day prior to the Closing Date for the Series 2017 Bonds, the Transportation Authority will furnish to the Purchaser an electronic copy of the Official Statement, including any supplements prepared by the Transportation Authority, in a portable document format (PDF) configured to allow the Official Statement to be saved, viewed, printed and retransmitted by electronic means.

Until the earlier of twenty-five (25) days from the “end of the underwriting period” (as defined in the SEC Rule) or the date when all of the Series 2017 Bonds have been sold by the Purchaser, if, in the reasonable opinion of the Transportation Authority and its counsel any event shall occur as a result of which it is necessary to amend or supplement the Official Statement so that it does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading, the Transportation Authority, may, and if requested by the Purchaser will, forthwith prepare and furnish to the Purchaser any amendment of or supplement to the Official Statement (in form and substance satisfactory to the Transportation Authority and its counsel), which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Transportation Authority will presume that the “end of the underwriting period” will occur on the Closing Date and that all of the Series 2017 Bonds have been sold by the Purchaser as of the Closing Date unless notified otherwise in writing by the Purchaser on the Closing Date. After the earlier of twenty-five (25) days from the “end of the underwriting period” or the date when all of the Series 2017 Bonds have been sold by the Purchaser, the Transportation Authority will no longer be obligated to amend or supplement the Official Statement.

By making a bid for the Series 2017 Bonds, the Purchaser agrees to:

- (i) promptly file a copy of the Official Statement, including any supplements prepared by the Transportation Authority, with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website;
- (ii) provide to the Transportation Authority, in writing, within 24 hours of the award of the Series 2017 Bonds, pricing and other related information with respect to the Series 2017 Bonds necessary for completion of the Official Statement;
- (iii) disseminate to all members of the Purchaser’s underwriting syndicate, if any, copies of the Official Statement, including any supplements prepared by the Transportation Authority;
- (iv) promptly notify the Transportation Authority as soon as all of the Series 2017 Bonds have been sold if the Purchaser has notified the Transportation Authority in writing on the Closing Date that there are unsold amounts of the Series 2017 Bonds as of such date; and
- (v) take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Series 2017 Bonds.

**ADDITIONAL CERTIFICATES AND LETTERS RELATED TO THE OFFICIAL STATEMENT:** On the Closing Date, there will be delivered a certificate executed by the Transportation Authority, which will state, among other things, that, as of the Closing Date, the information and statements contained in the Official Statement (excluding any information therein relating to The Depository Trust Company, New York, New York (“DTC”), DTC’s book-entry-only system, information relating to the Trustee, and APPENDIX B thereof), as supplemented by any supplement delivered on or prior to the Closing Date, as of its date (or the date of any supplement) did not, and as of the Closing Date does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If any portion of the Series 2017 Bonds is offered to the public by the Purchaser, the Transportation Authority will cause to be provided to the Purchaser letters, addressed to, among others, the Purchaser in its capacity as an underwriter of such Series 2017 Bonds, and dated the Closing Date, from Squire Patton Boggs (US) LLP, disclosure counsel, with respect to only the forepart of the Official Statement, and from Bond Counsel, with respect to only the forepart of the Official Statement, without undertaking to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, as a matter of fact and not opinion, no facts came to the attention of the attorneys in such firm rendering legal services with respect to the Official Statement, which caused them to believe that, as of its date or the date of issuance of the Series 2017 Bonds, the Official Statement, as applicable (except for any CUSIP numbers, financial, statistical, engineering, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, maps or any information about book-entry, ratings, rating agencies, and the information contained in certain appendices concerning the Transportation Authority’s financial statements included therein, as to which no opinion or view will be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If any portion of the Series 2017 Bonds is offered to the public by the Purchaser, the Transportation Authority will also cause to be provided to the Purchaser a letter, addressed to, among others, the Purchaser in its capacity as an underwriter of such Series 2017 Bonds, and dated the Closing Date, from Nossaman LLP, as general counsel to the Transportation Authority, to the effect that, without undertaking to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, as a matter of fact and not opinion, no information came to the attention of such counsel which caused such counsel to believe that the information included in the Official Statement under the captions “THE TRANSPORTATION AUTHORITY” and, to the best of such counsel’s knowledge after due inquiry, “LITIGATION”, as of its date or the date of issuance of the Series 2017 Bonds, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**CONTINUING DISCLOSURE:** In order to assist the Purchaser in complying with the SEC Rule, the Transportation Authority will undertake, pursuant to the Continuing Disclosure Certificate executed in connection with the Series 2017 Bonds, to provide certain annual financial information and notices of the occurrence of certain enumerated events. The form of the Continuing Disclosure Certificate is set forth in APPENDIX E of the Preliminary Official Statement and will also be set forth in the Official Statement. The Transportation Authority will deliver the Continuing Disclosure Certificate on the Closing Date. For further information about the continuing disclosure undertaking with respect to the Series 2017 Bonds, see “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

Dated: \_\_\_\_\_ 2017  
San Francisco, California

**TILLY CHANG**

*Executive Director of the San Francisco County Transportation Authority*

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the life of the issue under the attached bid is \$ \_\_\_\_\_. The amount of premium is \$ \_\_\_\_\_. The true interest cost is \_\_\_\_\_%.

We agree to provide the Good Faith Deposit in accordance with the terms set forth in the section of the Official Notice of Sale entitled "GOOD FAITH DEPOSIT".

If the Competitive Sale Requirements are not met and 10% of any Maturity is not sold at the initial offering price on the Sale Date, the bidder will indicate its preference that the Transportation Authority determine the issue price of any such Maturity in the columns on the bid form entitled, respectively, 10% Rule Maturity or HTP Maturity. Further, the winning bidder shall notify the Transportation Authority, within four hours after the Transportation Authority's acceptance of the bid, which maturities of the Series 2017 Bonds satisfy the 10% Test as of the date of sale, and confirm which maturities shall be subject to the Hold-the-Offering Price Rule.

The bidder agrees to provide the Transportation Authority with the applicable Final Reoffering Price Certificate in the form attached as Exhibit A hereto as of the date of execution and delivery of the Series 2017 Bonds.

We hereby represent that as of the date of award and as of the date of delivery of the Series 2017 Bonds, all members of our account either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

Following is a list of the members of our account on whose behalf this bid is made.

List of Members of Account:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Respectfully submitted,

Firm: \_\_\_\_\_

Account Manager

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT A TO OFFICIAL BID FORM  
FORM OF REOFFERING PRICE CERTIFICATE\***

**VERSION 1**

**ISSUE PRICE CERTIFICATE  
(IF COMPETITIVE SALE REQUIREMENTS ARE SATISFIED (I.E., 3 BIDS FROM  
COMPETITIVE PROVIDERS ARE RECEIVED))**

**(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE OFFICIAL  
NOTICE OF SALE)**

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance of the San Francisco County Transportation Authority Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the “Series 2017 Bonds”). The Purchaser hereby certifies and represents that:

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2017 Bonds to the Public by the Purchaser are the prices listed on the inside cover page of the Official Statement in respect of such Bonds dated [\_\_\_], 2017 (the “Initial Offering Prices”). The Initial Offering Prices are the prices for the Maturities of the Series 2017 Bonds used by the Purchaser in formulating its bid to purchase the Series 2017 Bonds. Attached as Schedule A is a true and correct copy of the bid provided by the Purchaser to purchase the Series 2017 Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Series 2017 Bonds.

**2. Defined Terms.**

(a) *Maturity* means the same February 1 and the same credit and payment terms. Series 2017 Bonds with different payment dates, or Series 2017 Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term “Related Party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2017 Bonds. The Sale Date of the Series 2017 Bonds is [\_\_\_], 2017.

(d) *Transportation Authority* means the San Francisco County Transportation Authority.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Transportation Authority (or with the lead underwriter to form an underwriting syndicate) to participate in

the initial sale of the Series 2017 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2017 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Transportation Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2017 Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Series 2017 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Transportation Authority from time to time relating to the Series 2017 Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

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## ISSUE PRICE CERTIFICATE

## VERSION 2

**TO BE DELIVERED IF THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND PURCHASER ELECTS TO UTILIZE THE 10% TEST FOR ALL MATURITIES**

This certificate is being delivered by \_\_\_\_\_, the purchaser (the "Purchaser") in connection with the issuance of the San Francisco County Transportation Authority Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the "Series 2017 Bonds"). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Series 2017 Bonds listed on Schedule 1 hereto as undersold maturities (the "Undersold Maturities"), the first single price or yield at which at least 10% of each Maturity of the Series 2017 Bonds was sold by the Purchaser to the Public was the price set forth on Schedule 1 hereto.

2. With respect to the Undersold Maturities, the Purchaser agrees to notify the Transportation Authority in writing of the first single price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the Transportation Authority in writing of the amount of the Undersold Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

3. ***Defined Terms.***

(a) *Maturity* means the same February 1 and the same credit and payment terms. Series 2017 Bonds with different payment dates, or Series 2017 Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2017 Bonds. The Sale Date of the Bonds is [\_\_\_\_] 2017.

(d) *Transportation Authority* means the San Francisco County Transportation Authority.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Transportation Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2017 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Transportation Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2017 Bonds, by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Series 2017 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Transportation Authority from time to time relating to the Series 2017 Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

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## VERSION 3

**TO BE DELIVERED IF THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND PURCHASER SELECTS HOLD-THE-OFFERING-PRICE RULE FOR CERTAIN MATURITIES**

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance of the San Francisco County Transportation Authority Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017 (the “Series 2017 Bonds”). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Series 2017 Bonds listed on Schedule 1 hereto as undersold maturities (the “Undersold Maturities”), the first single price or yield at which at least 10% of each Maturity of the Series 2017 Bonds was sold by the Purchaser to the Public was the price set forth on Schedule 1 hereto.

2. For each Undersold Maturity indicated on Schedule 1 as a 10% Rule Maturity (an “Undersold 10% Rule Maturity”), the Purchaser agrees to notify the Transportation Authority in writing of the first single price or yield at which at least 10% of each such Undersold 10% Rule Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold 10% Rule Maturity is sold to the Public but not more than 10% of the Undersold 10% Rule Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the Transportation Authority in writing of the amount of the Undersold 10% Rule Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold 10% Rule Maturity is sold to the Public.

3. The Purchaser offered the Series 2017 Bonds to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2017 Bonds is attached to this certificate as Schedule 1.

4. As set forth in the Official Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Undersold Maturity of the Series 2017 Bonds identified on Schedule 1 as a HTP Maturity (an “Undersold HTP Maturity”), it would neither offer nor sell any of the Series 2017 Bonds of such Undersold HTP Maturity to any person at a price that is higher than the Initial Offering Price for such Undersold HTP Maturity during the Holding Period for such Undersold HTP Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Undersold HTP Maturity of the Series 2017 Bonds at a price that is higher than the respective Initial Offering Price for that Undersold HTP Maturity of the Series 2017 Bonds during the Holding Period.

5. ***Defined Terms.***

(a) *Holding Period* means, with respect to a HTP Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriters have sold at least 10% of such HTP Maturity to the Public at prices that are no higher than the Initial Offering Price for such HTP Maturity.

(b) *Maturity* means the same February 1 and the same credit and payment terms. Series 2017 Bonds with different payment dates, or Series 2017 Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term “Related Party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2017 Bonds. The Sale Date of the Bonds is [ ], 2017.

(e) *Transportation Authority* means the San Francisco County Transportation Authority.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Transportation Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2017 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Transportation Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2017 Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Series 2017 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Transportation Authority from time to time relating to the Series 2017 Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

**SCHEDULE 1 TO ISSUE PRICE CERTIFICATE**

**TO BE USED IF COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND THE PURCHASER ELECTS TO UTILIZE THE HOLD-THE-OFFERING-PRICE RULE**

**THE PURCHASER SHALL IDENTIFY WHICH MATURITIES OF THE BONDS WILL BE SUBJECT TO THE 10% RULE AND WHICH TO THE HOLD-THE-OFFERING PRICE RULE AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE.**

| <u>Payment Date<br/>(February 1)</u> | <u>Principal<br/>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>Issue Price</u> | <u>10% Rule<br/>Maturity</u> | <u>HTP<br/>Maturity</u> |
|--------------------------------------|-----------------------------|--------------------------|--------------|--------------------|------------------------------|-------------------------|
|--------------------------------------|-----------------------------|--------------------------|--------------|--------------------|------------------------------|-------------------------|

DRAFT



**SCHEDULE 2 TO ISSUE PRICE CERTIFICATE  
PRICING WIRE (OR EQUIVALENT COMMUNICATION)**

DRAFT