

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 14-154

WHEREAS, The San Francisco Municipal Transportation Agency (the “SFMTA”) desires to finance the costs of certain transportation projects including, but not limited to the following SFMTA capital improvement programs: Muni Transit Safety and Spot Improvements, Street Capital Improvements, Facility Improvements, Transit Fixed Guideway, Pedestrian Safety and Traffic Signal Improvements and Muni Light Rail Vehicle Procurement (collectively, the “Project”); and

WHEREAS, Pursuant to Section 8A.102(b)(13) of the Charter (the “Charter”) and Chapter 43 of the Administrative Code of the City and County of San Francisco (the “City”), the SFMTA may issue revenue bonds and other debt instruments, with the concurrence of the Board of Supervisors (the “Board”) of the City and without voter approval, such bonds to be issued in accordance with state law or any procedure provided for by ordinance; and

WHEREAS, The SFMTA desires to issue revenue bonds to fund the Project; and

WHEREAS, The SFMTA desires to enter into a Bond Purchase Contract (the “Purchase Contract”) with J.P. Morgan Securities LLC, as representative of RBC Capital Markets, LLC, Morgan Stanley & Co. LLC and Siebert Brandford Shank & Co., LLC, as the underwriters, for the purpose of selling the revenue bonds; and

WHEREAS, The SFMTA has been presented with the form of certain documents related to the revenue bonds, including the Third Supplement, the Purchase Contract, the Preliminary Official Statement (defined below), and the Continuing Disclosure Certificate (defined below), and the SFMTA has examined each document and desires to approve, authorize and direct the execution of such documents and the consummation of such financing; now therefore be it

RESOLVED, That all of the recitals herein are true and correct; and be it

FURTHER RESOLVED, That pursuant to Section 8A.102(b)(13) of the Charter, on September 24, 2013, the concurrence of the Board was obtained in connection with the issuance of the bonds in an amount not to exceed \$165,000,000; and be it

FURTHER RESOLVED, That, on December 3, 2013, the SFMTA issued \$75,440,000 of its revenue bonds and \$89,560,000 of authorization from the Board remains unissued; and be it

FURTHER RESOLVED, That the Board of Directors of the SFMTA (the “Board of Directors”) hereby approves the issuance of “San Francisco Municipal Transportation Agency Revenue Bonds” (the “Bonds” or the “Revenue Bonds”), which shall be issued and delivered in accordance with the Indenture (defined below) and the Third Supplement (defined below), as the same is finally executed and delivered. The proceeds of the Bonds shall be used to (i) fund the Project, (ii) fund a reserve fund, (iii) fund capitalized interest, if any, and (iv) pay costs of issuance of the Bonds. The Bonds may be issued in one or more series. The Trustee (defined below) shall be authorized to cause the execution and delivery of the Bonds in an aggregate

principal amount which shall not be greater than \$89,560,000, which shall bear interest rates not to exceed 12 percent (12%) per annum, and which shall mature no later than 30 years from their date of issuance. The Bonds shall be subject to prepayment as set forth in the Indenture and the Third Supplement; and be it

FURTHER RESOLVED, That the form of a third supplement to indenture of trust (the "Third Supplement"), supplementing that certain Indenture of Trust dated July 1, 2012 (the "Indenture") by and between the SFMTA and U.S. Bank National Association, as successor trustee ("Trustee") or such other trustee selected by the Director of Transportation of the SFMTA (the "Director of Transportation") by and between the SFMTA and the Trustee, as presented to the Board of Directors, is hereby approved. The Director of Transportation or his designee is hereby authorized to execute the Third Supplement with such changes, additions and modifications as the Director of Transportation may make or approve in accordance with this Resolution; and be it

FURTHER RESOLVED, That the form of a bond purchase contract, as presented to the Board of Directors and a copy of which is on file with the Secretary of the Board of Directors, is hereby approved. The Director of Transportation is hereby authorized to execute the Purchase Contract with such changes, additions and modifications as the Director of Transportation may make or approve in accordance with this Resolution, provided however, that the Underwriters' discount under the Purchase Contract shall not exceed .50% of the principal amount of the Bonds; and be it

FURTHER RESOLVED, That the form of the continuing disclosure certificate of the City (the "Continuing Disclosure Certificate"), as presented to the Board of Directors and a copy of which is on file with the Secretary of the Board of Directors, is hereby approved. The Director of Transportation or his designee is hereby authorized to execute the Continuing Disclosure Certificate, with such changes, additions and modifications as he may make or approve in accordance with this Resolution; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the expenditure of a portion of the proceeds of the Bonds for the payment of certain costs of issuance incurred in connection with the execution and delivery of the Bonds; and be it

FURTHER RESOLVED, That the form of an official statement relating to the Bonds (the "Official Statement"), as presented to the Board of Directors and a preliminary copy of which is on file with the Secretary of the Board of Directors, is hereby approved. The Director of Transportation is hereby authorized to approve the distribution of the preliminary Official Statement in printed and/or electronic format in substantially said form, with such changes, additions, modifications or deletions as the Director of Transportation may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the distribution of the preliminary Official Statement to potential purchasers of the Bonds. The Controller of the City or his designee (collectively, the "Controller") is hereby authorized to cause the distribution of the preliminary Official Statement and deem it final for purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, and to execute a certificate to that effect. The Director of Transportation is hereby further authorized and directed to sign the Official Statement in final form; and be it

FURTHER RESOLVED, That the Controller of the City, the Treasurer of the City, the Director of Transportation, the City Attorney, and all other appropriate officers, employees, representatives and agents of the City are hereby authorized and directed to do everything necessary or desirable to provide for the execution and delivery of the Bonds, including, but not limited to, executing and delivering such certificates and other documents as they may deem necessary or advisable, including without limitation any custody agreements required by the Trustee; and be it

FURTHER RESOLVED, That the Director of Transportation is hereby authorized to approve and make such modifications, changes or additions to the Third Supplement, the Purchase Contract, the Continuing Disclosure Certificate or the Official Statement, upon consultation with the City Attorney, as may be necessary or desirable in the interests of the SFMTA, and which changes are within the parameters of this Resolution. The Director of Transportation's approval of such modifications, changes, additions or deletions shall be conclusively evidenced by the execution and delivery by the Director of Transportation, of the Third Supplement, the Purchase Contract, the Official Statement, or the Continuing Disclosure Certificate (collectively, the "Financial Documents"); and be it

FURTHER RESOLVED, That, notwithstanding anything to the contrary in this resolution, the Director of Transportation, with the advice of the financial advisors to the SFMTA, may modify the financial covenants set forth in the Financial Documents, to the extent such revisions are deemed necessary or desirable by the Director of Transportation for the issuance of the Bonds based on advice from the SFMTA's financial advisors; provided, however, that any such modifications or revisions shall not materially increase the financial or operational risks to the SFMTA and shall otherwise be subject to the terms hereof; and be it

FURTHER RESOLVED, That this Board of Directors makes the following finding in compliance with the California Environmental Quality Act (CEQA), California Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative Code Sections 15000 et seq., (CEQA Guidelines), and San Francisco Administrative Code Chapter 31 (Chapter 31); that the issuance of the SFMTA Revenue Bonds by the SFMTA is not subject to CEQA because as the establishment of a government financing mechanism that does not identify individual specific projects to be constructed with the funds, it is not a project as defined by CEQA and the CEQA Guidelines and that the SFMTA shall consult with the City Attorney as to necessary CEQA findings and determinations with respect to any project prior to the expenditure of bond proceeds; and be it

FURTHER RESOLVED, That the documents presented to the Board of Directors are on file with the Secretary of the Board of Directors.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 21, 2014.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency