

1 [Sale of General Obligation Bonds (Social Bonds - Affordable Housing, 2019), Series 2026D -
2 Not to Exceed \$107,540,000]

3 **Resolution authorizing the issuance and sale of not to exceed \$107,540,000 aggregate**
4 **principal amount on a tax-exempt or taxable basis of City and County of San Francisco**
5 **General Obligation Bonds (Social Bonds-Affordable Housing, 2019) Series 2026D;**
6 **prescribing the form and terms of such bonds; providing for the appointment of**
7 **depositories and other agents for such bonds; providing for the establishment of**
8 **accounts and/or subaccounts related to such bonds; authorizing the sale of such**
9 **bonds by competitive or negotiated sale; approving the forms of the Official Notice of**
10 **Sale and Notice of Intention to Sell Bonds and directing the publication of the Notice of**
11 **Intention to Sell Bonds; approving the form of the Purchase Contract; approving the**
12 **form of the Preliminary Official Statement and the execution of the Official Statement**
13 **relating to the sale of such bonds; approving the form of the Continuing Disclosure**
14 **Certificate; authorizing and approving modifications to such documents; ratifying**
15 **certain actions previously taken, as defined herein; and granting general authority to**
16 **City officials to take necessary actions in connection with the authorization, issuance,**
17 **sale, and delivery of such bonds, as defined herein.**

18
19 WHEREAS, By Resolution No. 308-19, adopted by the Board of Supervisors ("Board of
20 Supervisors") of the City and County of San Francisco ("City") on July 9, 2019, and signed by
21 the Mayor ("Mayor") on July 12, 2019, it was determined and declared that public interest and
22 necessity demand the construction, development, acquisition, improvement, rehabilitation,
23 preservation, and repair of affordable housing improvements, and related costs necessary or
24 convenient for the foregoing purposes, as further therein described ("Project" or "Projects");
25 and

1 WHEREAS, By Ordinance No. 168-19, passed by the Board of Supervisors on July 30,
2 2019, and signed by the Mayor on July 31, 2019 ("2019 Bond Ordinance"), the Board of
3 Supervisors duly called a special election to be held on November 5, 2019 ("Proposition A
4 Bond Election"), for the purpose of submitting to the qualified voters of the City such
5 proposition ("Proposition A") to incur bonded indebtedness of the City in the amount of
6 \$600,000,000 to finance the construction, development, acquisition, improvement,
7 rehabilitation, preservation, and repair of affordable housing improvements, and related costs
8 necessary or convenient for the foregoing purposes and for other matters, and such
9 Proposition A was approved by two-thirds of the qualified voters of the City voting on such
10 proposition, and declaration of such Proposition A Bond Election results was made by the
11 Board of Supervisors pursuant to Resolution No. 523-19 on December 10, 2019, and
12 approved by the Mayor on December 16, 2019; and

13 WHEREAS, The City may establish a loan program ("Loan Program") to provide loans
14 for the foregoing purposes; and

15 WHEREAS, By Resolution No. 448-20, adopted by the Board of Supervisors on
16 October 6, 2020 and approved by the Mayor on October 9, 2020 ("Authorizing Resolution"),
17 the City was authorized to issue its General Obligation Bonds in one or more series (Social
18 Bonds - Affordable Housing, 2019) ("Bonds") in the not-to-exceed amount of \$600,000,000;
19 and

20 WHEREAS, The City previously issued a portion of the Bonds, Series 2021A in the
21 principal amount of \$254,585,000; and

22 WHEREAS, The City previously issued a portion of the Bonds, Series 2023C in the
23 principal amount of \$170,780,000; and

24 WHEREAS, The City previously issued a portion of the Bonds, Series 2025C in the
25 principal amount of \$67,095,000; and

1 WHEREAS, It is necessary and desirable to deliver a subsequent series of the Bonds
2 in one or more subseries on a tax-exempt or a taxable basis, in an aggregate principal
3 amount not to exceed \$107,540,000 ("Series 2026D Bonds"), to finance a portion of the
4 remaining costs of the projects that qualify under Proposition A; and

5 WHEREAS, The Series 2026D Bonds are being issued pursuant to the Authorizing
6 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
7 Code ("Government Code"), the Charter of the City ("Charter"), the 2019 Bond Ordinance and
8 the Proposition A Bond Election; and

9 WHEREAS, In accordance with Government Code, Section 5852.1, the Board has
10 obtained and disclosed the information required thereby, as more fully set forth in the staff
11 report prepared by the Controller's Office of Public Finance; and

12 WHEREAS, Pursuant to the applicable provisions of the San Francisco Administrative
13 Code ("Administrative Code"), Sections 5.30-5.36, the Citizens' General Obligation Bond
14 Oversight Committee shall conduct an annual review of bond spending and shall provide an
15 annual report on the management of the program to the Mayor and the Board of Supervisors,
16 and, to the extent permitted by law, one tenth of one percent (0.1%) of the gross proceeds of
17 the Series 2026D Bonds shall be deposited in a fund established by the Office of the City
18 Controller ("Controller") and appropriated by the Board of Supervisors at the direction of the
19 Citizens' General Obligation Bond Oversight Committee to cover the costs of such committee
20 and its review process; now, therefore, be it

21 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
22 follows:

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

24 Section 2. Conditions Precedent. All conditions, things and acts required by law to
25 exist, to happen and to be performed precedent to and in connection with the issuance of the

1 Series 2026D Bonds exist, have happened and have been performed in due time, form and
2 manner in accordance with applicable law, and the City is now authorized pursuant to the
3 Proposition A Bond Election, the Authorizing Resolution, the Charter and applicable law to
4 incur indebtedness in the manner and form provided in this Resolution.

5 Section 3. Documents. The documents presented to the Board of Supervisors and on
6 file with the Clerk of the Board of Supervisors ("Clerk of the Board of Supervisors") are
7 contained in File No. [_____].

8 Section 4. Issuance and Sale of Series 2026D Bonds; Determination of Certain Terms;
9 Designation. The Board of Supervisors authorizes the issuance and sale of not to exceed
10 \$107,540,000 in aggregate principal amount of Bonds to be designated as "City and County of
11 San Francisco General Obligation Bonds (Social Bonds - Affordable Housing, 2019) Series
12 2026D [and any subseries designation]," for the purposes set forth in the 2019 Bond
13 Ordinance and Proposition A approved by the voters at the Proposition A Bond Election. Prior
14 to issuance, the Series 2026D Bonds may be subdivided into more than one subseries. For
15 purposes of this Resolution, all of such subdivided series in the aggregate are referred to
16 herein as the "Series 2026D Bonds."

17 The Director of Public Finance of the City ("Director of Public Finance"), the Controller
18 or any designee thereof (each, an "Authorized Officer") are authorized to determine, for the
19 Series 2026D Bonds, the sale date, the interest rates, the definitive principal amount, the
20 maturity dates and the redemption dates, if any, and the terms of any optional or mandatory
21 redemption, subject to the other specific provisions of this Resolution, including the following
22 terms and conditions: (a) the Series 2026D Bonds shall not have a true interest cost (as such
23 term is defined in the Official Notice of Sale (as defined in Section 13) for the Series 2026D
24 Bonds) in excess of 12%; and (b) the Series 2026D Bonds shall not have a final maturity date
25 more than 30 years from their date of issuance. The Director of Public Finance is further

1 authorized to give the Series 2026D Bonds such additional or other series designation, or to
2 modify such series designation, as may be necessary or appropriate to distinguish the Series
3 2026D Bonds from every other series of Bonds and from other bonds issued by the City.

4 Section 5. Authentication and Registration of the Series 2026D Bonds. Each of the
5 Series 2026D Bonds shall be in fully registered form without coupons in denominations of
6 \$5,000 or any integral multiple of that amount. The officers of the City are directed to cause
7 the Series 2026D Bonds to be prepared in sufficient quantity for delivery to or for the account
8 of their purchaser and an Authorized Officer is directed to cause the blanks in the Series
9 2026D Bonds to be completed in accordance with the Authorizing Resolution, this Resolution,
10 and the Bond Award or Purchase Contract (as defined below), to procure their execution by
11 the proper officers of the City (including by electronic or facsimile signature if necessary or
12 convenient, except that any signature for the Clerk of the Board of Supervisors shall be
13 required to be by manual signature) and authentication as provided in this Section, and to
14 deliver the Series 2026D Bonds when so executed and authenticated to the purchaser in
15 exchange for the purchase price, all in accordance with the Authorizing Resolution.

16 The Series 2026D Bonds and the certificate of authentication and registration, to be
17 manually executed by the Treasurer of the City or designee thereof ("City Treasurer"), and the
18 form of assignment to appear on the Series 2026D Bonds shall be substantially in the form
19 attached as Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and
20 which is declared to be a part of this Resolution as if fully set forth in this Resolution), with
21 necessary or appropriate variations, omissions and insertions as permitted or required by this
22 Resolution.

23 Only Series 2026D Bonds bearing a certificate of authentication and registration
24 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
25 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City

1 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
2 Series 2026D Bonds so authenticated have been duly authenticated and delivered under, and
3 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

4 The Controller shall assign a distinctive letter, or number, or letter and number to each
5 Series 2026D Bond authenticated and registered by the City Treasurer and shall maintain a
6 record thereof which shall be available for inspection.

7 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
8 the office of the City Treasurer or at the designated office of any registrar appointed by the
9 City Treasurer, separate and sufficient books for the registration and transfer of Series 2026D
10 Bonds, which books shall at all times be open to inspection, and upon presentation for such
11 purpose, the City Treasurer shall, under such reasonable regulations as the City Treasurer
12 may prescribe, register or transfer or cause to be registered or transferred, on such books,
13 Series 2026D Bonds as provided in this Resolution. The City and the City Treasurer may
14 treat the registered owner of each Series 2026D Bond as its absolute owner for all purposes,
15 and the City and the City Treasurer shall not be affected by any notice to the contrary.

16 Section 7. Transfer or Exchange of Series 2026D Bonds. Any Series 2026D Bond
17 may, in accordance with its terms, be transferred upon the books required to be kept pursuant
18 to the provisions of Section 6, by the person in whose name it is registered, in person or by
19 the duly authorized attorney of such person in writing, upon surrender of such Series 2026D
20 Bond for cancellation, accompanied by delivery of a duly executed written instrument of
21 transfer in a form approved by the City Treasurer.

22 Any Series 2026D Bond may be exchanged at the office of the City Treasurer for a like
23 aggregate principal amount of other authorized denominations of the same interest rate and
24 maturity.

25 Whenever any Series 2026D Bond shall be surrendered for transfer or exchange, the

1 designated City officials shall execute (as provided in Section 5) and the City Treasurer shall
2 authenticate and deliver a new Series 2026D Bond of the same interest rate and maturity in a
3 like aggregate principal amount. The City Treasurer shall require the payment by any bond
4 owner requesting any such transfer of any tax or other governmental charge required to be
5 paid with respect to such transfer or exchange.

6 No transfer or exchange of Series 2026D Bonds shall be required to be made by the
7 City Treasurer during the period from the Record Date (as defined in Section 8(b)) next
8 preceding each interest payment date to such interest payment date or after a notice of
9 redemption shall have been mailed with respect to such Series 2026D Bonds.

10 Section 8. Terms of the Series 2026D Bonds; General Redemption Provisions.

11 (a) Date of the Series 2026D Bonds. The Series 2026D Bonds shall be
12 dated the date of their delivery or such other date ("Dated Date") as is specified in the Bond
13 Award or the Purchase Contract.

14 (b) Payment of the Series 2026D Bonds. The principal of the Series 2026D
15 Bonds shall be payable in lawful money of the United States of America to their owners, upon
16 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on
17 the Series 2026D Bonds shall be payable in like lawful money to the person whose name
18 appears on the bond registration books of the City Treasurer as the owner as of the close of
19 business on the last day of the month immediately preceding an interest payment date
20 ("Record Date"), whether or not such day is a Business Day (as defined below).

21 Except as may be otherwise provided in connection with any book-entry-only
22 system applicable to the Series 2026D Bonds, payment of the interest on any Series 2026D
23 Bond shall be made by check mailed on the interest payment date to such owner at such
24 owner's address as it appears on the registration books as of the Record Date; provided, that
25 if any interest payment date occurs on a day that banks in California or New York are closed

1 for business or the New York Stock Exchange is closed for business, then such payment shall
2 be made on the next succeeding day that banks in both California and New York are open for
3 business and the New York Stock Exchange is open for business (each, a "Business Day");
4 and provided, further, that the registered owner of an aggregate principal amount of at least
5 \$1,000,000 of Series 2026D Bonds may submit a written request to the City Treasurer on or
6 before a Record Date preceding an interest payment date for payment of interest on the next
7 succeeding interest payment date and thereafter by wire transfer to a commercial bank
8 located within the United States of America.

9 For so long as any Series 2026D Bonds are held in book-entry form by a
10 securities depository selected by the City pursuant to Section 10, payment shall be made to
11 the registered owner of the Series 2026D Bonds designated by such securities depository by
12 wire transfer of immediately available funds.

13 (c) Interest on the Series 2026D Bonds. The Series 2026D Bonds shall bear
14 interest at rates to be determined upon the sale of the Series 2026D Bonds, calculated on the
15 basis of a 360-day year comprised of twelve 30-day months, payable on June 15, 2027 (or
16 such other date as may be designated in the Bond Award or Purchase Contract), and
17 semiannually thereafter on June 15 and December 15 of each year. Each Series 2026D
18 Bond shall bear interest from the interest payment date next preceding the date of its
19 authentication unless it is authenticated as of a day during the period from the Record Date
20 next preceding any interest payment date to the interest payment date, inclusive, in which
21 event it shall bear interest from such interest payment date, or unless it is authenticated on or
22 before the first Record Date, in which event it shall bear interest from the Dated Date;
23 provided, that if, at the time of authentication of any Series 2026D Bond, interest is in default
24 on the Series 2026D Bonds, such Series 2026D Bond shall bear interest from the interest
25 payment date to which interest has previously been paid or made available for payment on

1 the Series 2026D Bonds or from the Dated Date if the first interest payment is not made.

2 (d) Optional Redemption. The Series 2026D Bonds shall be subject to
3 optional redemption prior to maturity as shall be more fully provided in the Official Notice of
4 Sale or the Purchase Contract, as applicable.

5 (e) Mandatory Redemption. The Series 2026D Bonds shall be subject to
6 mandatory redemption as shall be designated by the purchaser pursuant to the terms of the
7 Official Notice of Sale or as designated in the Purchase Contract, as applicable.

8 The principal of and interest on the Series 2026D Bonds subject to mandatory
9 redemption shall be paid from the Series 2026D Bond Subaccount established in Section 9,
10 pursuant to Section 9. In lieu of any such mandatory redemption for Series 2026D Bonds, at
11 any time prior to the selection of Series 2026D Bonds for mandatory redemption, the City may
12 apply amounts on deposit in the Series 2026D Bond Subaccount to make such payment to
13 the purchase, at public or private sale, of Series 2026D Bonds subject to such mandatory
14 redemption, and when and at such prices not in excess of the principal amount thereof
15 (including sales commission and other charges but excluding accrued interest), as the City
16 may determine.

17 (f) Selection of Series 2026D Bonds for Redemption. Whenever less than
18 all of the outstanding Series 2026D Bonds are called for redemption on any date, the Director
19 of Public Finance will select the maturities of the Series 2026D Bonds to be redeemed in the
20 sole discretion of the Director of Public Finance. Whenever less than all of the outstanding
21 Series 2026D Bonds maturing on any one date are called for redemption, the manner of
22 selection of the portion of such Series 2026D Bonds called for redemption shall be as
23 specified in the Official Statement for the Series 2026D Bonds.

24 (g) Notice of Redemption. The date on which Series 2026D Bonds that are
25 called for redemption are to be presented for redemption is called the "Redemption Date."

1 The City Treasurer shall mail, or cause to be mailed, notice of any redemption of Series
2 2026D Bonds, postage prepaid, to the respective registered owners at the addresses
3 appearing on the bond registration books not less than 20 nor more than 60 days prior to the
4 Redemption Date. The notice of redemption shall: (i) state the Redemption Date; (ii) state the
5 redemption price; (iii) state the maturity dates of the Series 2026D Bonds to be redeemed
6 and, if less than all of any such maturity is called for redemption, the distinctive numbers of
7 the Series 2026D Bonds of such maturity to be redeemed, and in the case of any Series
8 2026D Bonds to be redeemed in part only, the respective portions of the principal amount to
9 be redeemed; (iv) state the CUSIP number, if any, of each Series 2026D Bond to be
10 redeemed; (v) require that such Series 2026D Bonds be surrendered by the owners at the
11 office of the City Treasurer or his or her agent; and (vi) give notice that interest on such Series
12 2026D Bonds or portions of Series 2026D Bonds to be redeemed will cease to accrue after
13 the Redemption Date. Notice of optional redemption may be conditional upon receipt of funds
14 or other event specified in the notice of redemption as provided in Section 8(j) below.

15 The actual receipt by the owner of any Series 2026D Bond of notice of such
16 redemption shall not be a condition precedent to redemption, and failure to receive such
17 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
18 for the redemption of such Series 2026D Bonds or the cessation of accrual of interest on such
19 Series 2026D Bonds on the Redemption Date.

20 Notice of redemption also shall be given, or caused to be given by the City
21 Treasurer, to The Depository Trust Company, New York, New York ("DTC") (and its
22 successors and assigns) by electronic transmission or such other method acceptable to The
23 Depository Trust Company at the time of such notice, and to such other services or
24 organizations as may be required in accordance with the Continuing Disclosure Certificate
25 described in Section 18 hereof.

1 The notice or notices required for redemption shall be given by the City
2 Treasurer or any agent appointed by the City. A certificate of the City Treasurer or such other
3 appointed agent of the City that notice of redemption has been given to the owner of any
4 Series 2026D Bond to be redeemed in accordance with this Resolution shall be conclusive
5 against all parties.

6 (h) Series 2026D Redemption Account. At the time the Director of Public
7 Finance determines to optionally call and redeem any of the Series 2026D Bonds, the
8 Controller or his or her agent shall establish a redemption account to be described or known
9 as the “General Obligation Bonds, Series 2026D Redemption Account” (“Series 2026D
10 Redemption Account”), and prior to or on the Redemption Date there must be set aside in the
11 Series 2026D Redemption Account moneys available for the purpose and sufficient to
12 redeem, as provided in this Resolution, the Series 2026D Bonds designated in such notice of
13 redemption, subject to the provisions of Section 8(j) below. Such moneys must be set aside
14 in the Series 2026D Redemption Account solely for the purpose of, and shall be applied on or
15 after the Redemption Date to, payment of the redemption price of the Series 2026D Bonds to
16 be redeemed upon presentation and surrender of such Series 2026D Bonds. Any interest
17 due on or prior to the Redemption Date may be paid from the Series 2026D Bond Subaccount
18 as provided in Section 9 or from the Series 2026D Redemption Account. Moneys held from
19 time to time in the Series 2026D Redemption Account shall be invested by the City Treasurer
20 pursuant to the City’s policies and guidelines for investment of moneys in the general fund
21 (“General Fund”) of the City. If, after all of the Series 2026D Bonds have been redeemed and
22 canceled or paid and canceled, there are moneys remaining in the Series 2026D Redemption
23 Account, said moneys shall be transferred to such fund or account of the City as required or
24 permitted by applicable law; provided, that if such moneys are part of the proceeds of
25 refunding bonds, such moneys shall be transferred pursuant to the resolution authorizing such

1 refunding bonds.

2 (i) Effect of Redemption. When notice of optional redemption has been
3 given substantially as provided in this Resolution, and when the amount necessary for the
4 redemption of the Series 2026D Bonds called for redemption (principal, premium, if any, and
5 accrued interest to such Redemption Date) is set aside for that purpose in the Series 2026D
6 Redemption Account, the Series 2026D Bonds designated for redemption shall become due
7 and payable on the Redemption Date, and upon presentation and surrender of such Series
8 2026D Bonds at the place specified in the notice of redemption, such Series 2026D Bonds
9 shall be redeemed and paid at the redemption price out of the Series 2026D Redemption
10 Account. No interest will accrue on such Series 2026D Bonds called for redemption after the
11 Redemption Date and the registered owners of such Series 2026D Bonds shall look for
12 payment of such Series 2026D Bonds only to the Series 2026D Redemption Account. All
13 Series 2026D Bonds redeemed shall be canceled immediately by the City Treasurer and shall
14 not be reissued.

15 (j) Conditional Notice of Redemption; Rescission of Redemption. Any notice
16 of optional redemption given as provided in Section 8(g) may provide that such redemption is
17 conditioned upon: (i) deposit in the Series 2026D Redemption Account of sufficient moneys to
18 redeem the Series 2026D Bonds called for optional redemption on the anticipated
19 Redemption Date, or (ii) the occurrence of any other event specified in the notice of
20 redemption. If conditional notice of redemption has been given substantially as provided in
21 this clause, and on the scheduled Redemption Date (A) sufficient moneys to redeem the
22 Series 2026D Bonds called for optional redemption on the Redemption Date have not been
23 deposited in the Series 2026D Redemption Account, or (B) any other event specified in the
24 notice of redemption as a condition to the redemption has not occurred, then (1) the Series
25 2026D Bonds for which conditional notice of redemption was given shall not be redeemed on

1 the anticipated Redemption Date and shall remain outstanding for all purposes of this
2 Resolution, and (2) the redemption not occurring shall not constitute a default under this
3 Resolution or the Authorizing Resolution.

4 The City may rescind any optional redemption and notice of it for any reason on
5 any date on or prior to any Redemption Date by causing written notice of the rescission to be
6 given to the owners of all Series 2026D Bonds so called for redemption. Notice of any such
7 rescission of redemption shall be given in the same manner notice of redemption was
8 originally given.

9 The actual receipt by the owner of any Series 2026D Bond of notice of such
10 rescission shall not be a condition precedent to rescission, and failure to receive such notice
11 or any defect in such notice so mailed shall not affect the validity of the rescission.

12 Section 9. Series 2026D Bond Subaccount. There is established with the City
13 Treasurer a special subaccount in the General Obligation Bonds (Social Bonds – Affordable
14 Housing, 2019) Bond Account (“Bond Account”) created pursuant to the Authorizing
15 Resolution to be designated as the “General Obligation Bonds, Series 2026D Bond
16 Subaccount” (“Series 2026D Bond Subaccount”), to be held separate and apart from all other
17 accounts of the City. All interest earned on amounts on deposit in the Series 2026D Bond
18 Subaccount shall be retained in the Series 2026D Bond Subaccount.

19 On or prior to the date on which any payment of principal of or interest on the
20 Series 2026D Bonds is due, including any Series 2026D Bonds subject to mandatory
21 redemption on such date, the City Treasurer shall allocate to and deposit in the Series 2026D
22 Bond Subaccount, from amounts held in the Bond Account, an amount which, when added to
23 any available moneys contained in the Series 2026D Bond Subaccount, is sufficient to pay
24 principal of and interest on the Series 2026D Bonds on such date.

25 On or prior to the date on which any Series 2026D Bonds are to be redeemed at the

1 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
2 in the Series 2026D Redemption Account, from amounts held in the Bond Account pursuant
3 to Section 8 of the Authorizing Resolution, an amount which, when added to any available
4 moneys contained in the Series 2026D Redemption Account, is sufficient to pay principal,
5 interest and premium, if any, with respect to such Series 2026D Bonds on such date. The
6 City Treasurer may make such other provision for the payment of principal of and interest and
7 any redemption premium on the Series 2026D Bonds as is necessary or convenient to permit
8 the optional redemption of the Series 2026D Bonds.

9 Amounts in the Series 2026D Bond Subaccount may be invested in any investment of
10 the City in which moneys in the General Fund of the City are or can be invested. The City
11 Treasurer may (a) commingle any of the moneys held in the Series 2026D Bond Subaccount
12 with other City moneys, or (b) deposit amounts credited to the Series 2026D Bond
13 Subaccount into a separate fund or funds for investment purposes only; provided, that all of
14 the moneys held in the Series 2026D Bond Subaccount shall be accounted for separately
15 notwithstanding any such commingling or separate deposit by the City Treasurer.

16 Section 10. Appointment of Depositories and Other Agents. The City Treasurer is
17 authorized and directed to appoint one or more depositories as the City Treasurer may deem
18 desirable and the procedures set forth in Section 5, Section 6, Section 7 and Section 8
19 relating to registration of ownership of the Series 2026D Bonds and payments and redemption
20 notices to owners of the Series 2026D Bonds may be modified to comply with the policies and
21 procedures of such depository. The City will not have any responsibility or obligation to any
22 purchaser of a beneficial ownership interest in any Series 2026D Bonds or to any participants
23 in such a depository with respect to (a) the accuracy of any records maintained by such
24 securities depository or any participant therein; (b) any notice that is permitted or required to
25 be given to the owners of Series 2026D Bonds under this Resolution; (c) the selection by such

1 securities depository or any participant therein of any person to receive payment in the event
2 of a partial redemption of Series 2026D Bonds; (d) the payment by such securities depository
3 or any participant therein of any amount with respect to the principal or redemption premium,
4 if any, or interest due with respect to Series 2026D Bonds; (e) any consent given or other
5 action taken by such securities depository as the owner of Series 2026D Bonds; or (f) any
6 other matter.

7 Depository Trust Company, New York, New York ("DTC") is appointed as depository
8 for the Series 2026D Bonds. The Series 2026D Bonds shall be initially issued in book-entry
9 form. Upon initial issuance, the ownership of each Series 2026D Bond shall be registered in
10 the bond register in the name of Cede & Co., as nominee of DTC. So long as each Series
11 2026D Bond is registered in book-entry form, each Series 2026D Bond shall be registered in
12 the name of Cede & Co. or in the name of such successor nominee as may be designated
13 from time to time by DTC or any successor as depository.

14 The City Treasurer is also authorized and directed to appoint one or more agents as
15 the City Treasurer may deem necessary or desirable, to the extent permitted by applicable
16 law and under the supervision of the City Treasurer, such agents may serve as paying agent,
17 fiscal agent, rebate calculation agent, escrow agent or registrar for the Series 2026D Bonds or
18 may assist the City Treasurer in performing any or all of such functions and such other duties
19 as the City Treasurer shall determine. Such agents shall serve under such terms and
20 conditions as the City Treasurer shall determine. The City Treasurer may remove or replace
21 agents appointed pursuant to this paragraph at any time.

22 Section 11. Defeasance Provisions. Payment of all or any portion of the Series 2026D
23 Bonds may be provided for prior to such Series 2026D Bonds' respective stated maturities by
24 irrevocably depositing with the City Treasurer (or any commercial bank or trust company
25 designated by the City Treasurer to act as escrow agent with respect thereto):

1 (a) an amount of cash equal to the principal amount of all of such Series
2 2026D Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in
3 the case of Series 2026D Bonds which are to be redeemed prior to such Series 2026D Bonds'
4 respective stated maturities and in respect of which notice of such redemption shall have
5 been given as provided in Section 8 hereof or an irrevocable election to give such notice shall
6 have been made by the City, the amount to be deposited shall be the principal amount
7 thereof, all unpaid interest thereon to the Redemption Date, and any premium due on such
8 Redemption Date; or

9 (b) Defeasance Securities (as herein defined) not subject to call, except as
10 provided below in the definition thereof, maturing and paying interest at such times and in
11 such amounts; together with interest earnings and cash, if required, as will, without
12 reinvestment, as certified by an independent certified public accountant, be fully sufficient to
13 pay the principal and all unpaid interest to maturity, or to the Redemption Date, as the case
14 may be, and any premium due on the Series 2026D Bonds to be paid or redeemed, as such
15 principal and interest come due; provided, that, in the case of the Series 2026D Bonds which
16 are to be redeemed prior to maturity, notice of such redemption shall be given as provided in
17 Section 8 hereof or an irrevocable election to give such notice shall have been made by the
18 City; then, all obligations of the City with respect to such outstanding Series 2026D Bonds
19 shall cease and terminate, except only the tax covenants under Section 23 and the obligation
20 of the City to pay or cause to be paid from the funds deposited pursuant to clause (a) or (b) of
21 this Section 11, to the owners of such Series 2026D Bonds all sums due with respect thereto;
22 and provided further, that the City shall have received an opinion of nationally recognized
23 bond counsel, that provision for the payment of such Series 2026D Bonds has been made in
24 accordance with this Section 11.

25 For purposes of this Section 11, "Defeasance Securities" shall mean any of the

1 following that at the time are legal investments under the laws of the State of California for the
2 moneys proposed to be invested therein:

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

19 For purposes of this Section 11, "United States Obligations" means (i) direct and
20 general obligations of the United States of America, or obligations that are unconditionally
21 guaranteed as to principal and interest by the United States of America, including, without
22 limitation, the interest component of Resolution Funding Corporation ("REFCORP") bonds that
23 have been stripped by request to the Federal Reserve Bank of New York in book-entry form
24 or (ii) any security issued by an agency or instrumentality of the United States of America that
25 is selected by the Director of Public Finance that results in the escrow fund being rated by any

1 two Rating Agencies, at the time of the initial deposit to the escrow fund and upon any
2 substitution or subsequent deposit to the escrow fund, not lower than the rating then
3 maintained by the respective Rating Agency on United States Obligations described in clause
4 (i) above.

5 For purposes of this Section 11, "Rating Agencies" shall mean Moody's Ratings, Fitch
6 Ratings, S&P Global Ratings, and Kroll Bond Rating Agency, LLC, or any other nationally-
7 recognized bond rating agency that is the successor to any of the foregoing rating agencies or
8 that is otherwise established after the date hereof.

9 Section 12. Sale of Series 2026D Bonds By Competitive or Negotiated Sale. The
10 Board of Supervisors authorizes the sale of the Series 2026D Bonds by solicitation of
11 competitive bids or by negotiated sale to one or more underwriters to be appointed in
12 accordance with City policies, if so determined by the Director of Public Finance.

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

14 (a) Official Notice of Sale. The form of proposed Official Notice of Sale
15 inviting bids for the Series 2026D Bonds ("Official Notice of Sale") submitted to the Board of
16 Supervisors is approved and adopted as the Official Notice of Sale inviting bids for the Series
17 2026D Bonds, with such changes, additions and modifications as may be made in accordance
18 with Section 19. The Director of Public Finance is authorized and directed to cause to be
19 mailed or otherwise circulated to prospective bidders for the Series 2026D Bonds copies of
20 one or more Official Notice of Sale, subject to such corrections, revisions or additions as may
21 be acceptable to the Director of Public Finance.

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

24 (c) Bond Award. As provided in the Official Notice of Sale, the City may
25 reject any and all bids received for any reason. The Authorized Officer is authorized to award

1 the Series 2026D Bonds to the responsible bidder whose bid (i) is timely received and
2 conforms to the Official Notice of Sale, except to the extent informalities and irregularities are
3 waived by the City as permitted by the Official Notice of Sale; and (ii) represents the lowest
4 true interest cost to the City in accordance with the procedures described in the Official Notice
5 of Sale. The award, if made, shall be set forth in one or more certificates signed by the
6 Authorized Officer setting forth the terms of the Series 2026D Bonds and the original
7 purchasers ("Bond Award"). The Director of Public Finance shall provide a copy of the Bond
8 Award, if such award is not signed by the Controller, as soon as practicable to the Controller;
9 provided, that failure to provide such copy shall not affect the validity of the Bond Award.

10 Section 14. Publication of Notice of Intention to Sell Bonds. If the Series 2026D Bonds
11 are sold through a solicitation of competitive bids, then the form of proposed Notice of
12 Intention to Sell the Series 2026D Bonds ("Notice of Intention to Sell Bonds") submitted to the
13 Board of Supervisors is approved and adopted as the Notice of Intention to Sell the Series
14 2026D Bonds, and the Director of Public Finance is authorized and directed to cause one or
15 more Notices of Intention to Sell Bonds, subject to such corrections, revisions or additions as
16 may be made in accordance with Section 19, to be published once in *The Bond Buyer* or
17 another financial publication generally circulated throughout the State of California meeting
18 the requirements of Section 53692 of the Government Code at least five (5) days prior to the
19 date fixed for receipt of bids for the Series 2026D Bonds, or as otherwise set forth in Section
20 53692 of the Government Code.

21 Section 15. Authorization of Negotiated Sale; Authorization to Select Underwriters;
22 Form of Purchase Contract Approval. The Authorized Officer is hereby authorized to conduct
23 the sale of the Series 2026D Bonds by negotiated sale pursuant to one or more Purchase
24 Contracts (each, a "Purchase Contract"), each by and between the City and the underwriter(s)
25 named therein ("Underwriters") or by and between the City and a placement agent named

1 therein ("Placement Agent"), if the Controller determines that such manner of sale (negotiated
2 or private placement) is in the best financial interest of the City (in accordance with the criteria
3 set forth in the City's debt policy), such determination to be conclusively evidenced by the
4 execution and delivery of such Purchase Contract as hereinafter approved. The form of such
5 Purchase Contract as presented to this Board of Supervisors, a copy of which is on file with
6 the Clerk of the Board of Supervisors, is hereby approved. The Authorized Officer is hereby
7 authorized to execute one or more such Purchase Contracts with such changes, additions
8 and modifications as the Authorized Officer may make or approve in accordance with Section
9 19 hereof (including such changes as may be required for a private placement); provided
10 however, that the Underwriters' discount or Placement Agent fee under any such Purchase
11 Contract shall not exceed 1.0% of the principal amount of the Series 2026D Bonds. In order
12 to facilitate the sale of the Series 2026D Bonds by negotiated sale, the Authorized Officer is
13 hereby authorized and directed to appoint one or more financial institutions to act as
14 underwriter or Placement Agent for the Series 2026D Bonds.

15 Section 16. Disposition of Proceeds of Sale. The proceeds of sale of the Series
16 2026D Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any,
17 shall be deposited into the Series 2026D Bond Subaccount; (b) premium, if any, shall be
18 deposited into the Series 2026D Bond Subaccount in such amount not to exceed three years
19 of interest on the Series 2026D Bonds; and (c) remaining proceeds of sale shall be deposited
20 into the Project Account established under Resolution No. 448-20.

21 Section 17. Preliminary Official Statement and Official Statement. The form of
22 proposed Preliminary Official Statement describing the Series 2026D Bonds ("Preliminary
23 Official Statement") submitted to the Board of Supervisors is approved and adopted as the
24 Preliminary Official Statement describing the Series 2026D Bonds, with such additions,
25 corrections and revisions as may be determined to be necessary or desirable made in

1 accordance with Section 19. The Authorized Officer is authorized to cause the distribution of
2 one or more Preliminary Official Statements deemed final for purposes of Securities and
3 Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of
4 1934, as amended ("Rule"), and to sign a certificate to that effect. The Director of Public
5 Finance is authorized and directed to cause to be printed and mailed or electronically
6 distributed to prospective bidders for the Series 2026D Bonds the Preliminary Official
7 Statement(s) in substantially the form of the Preliminary Official Statement approved and
8 adopted by this Resolution, as completed, supplemented, corrected or revised. The
9 Authorized Officer is authorized and directed to approve, execute, and deliver one or more
10 final Official Statements with respect to the Series 2026D Bonds, which final Official
11 Statement shall be in the form of the Preliminary Official Statement, with such additions,
12 corrections and revisions as may be determined to be necessary or desirable made in
13 accordance with Section 19 and as are permitted under the Rule. The Director of Public
14 Finance is authorized and directed to cause to be printed and mailed or electronically
15 distributed the final Official Statement(s) to all actual initial purchasers of the Series 2026D
16 Bonds.

17 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure
18 Certificate ("Continuing Disclosure Certificate"), to be signed by the City to permit the original
19 purchasers of the Series 2026D Bonds to comply with the Rule, submitted to the Board of
20 Supervisors is approved and adopted as the Continuing Disclosure Certificate, with such
21 additions, corrections and revisions as may be determined to be necessary or desirable made
22 in accordance with Section 19. The Authorized Officer is authorized and directed to execute
23 one or more Continuing Disclosure Certificates on behalf of the City and deliver the
24 Continuing Disclosure Certificate(s) to the original purchasers of the Series 2026D Bonds.
25

1 Section 19. Modification to Documents. Any City official authorized by this Resolution
2 to execute any document is further authorized, in consultation with the City Attorney and co-
3 bond counsel, to approve and make such changes, additions, amendments or modifications to
4 the document or documents such official is authorized to execute as may be necessary or
5 advisable (provided, that such changes, additions, amendments or modifications shall not
6 authorize an aggregate principal amount of Series 2026D Bonds in excess of \$107,540,000 or
7 conflict with the provisions of Section 4). The approval of any change, addition, amendment
8 or modification to any of the aforementioned documents shall be evidenced conclusively by
9 the execution and delivery of the document in question.

10 Section 20. Ratification. All actions previously taken by officials, employees and
11 agents of the City with respect to the sale and issuance of the Series 2026D Bonds,
12 consistent with any documents presented and this Resolution, are approved, confirmed and
13 ratified.

14 Section 21. Relationship to Authorizing Resolution. In the event of any conflict
15 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
16 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
17 Resolution, the City is not obligated to transfer money from the General Fund of the City to the
18 Bond Account to pay the principal of or interest on the Series 2026D Bonds.

19 Section 22. Accountability Reports. The Series 2026D Bonds are subject to
20 accountability requirements under the Administrative Code and the 2019 Bond Ordinance.
21 The deadline for submission of the Accountability report(s) under Administrative Code
22 Sections 2.71(a) and 2.71(b) are hereby waived with respect to the Series 2026D Bonds.
23 Accountability report(s) with respect to the Series 2026D Bonds shall be submitted in all other
24 respects in the manner required by the Administrative Code and the 2019 Bond Ordinance.
25

1 Section 23. Covenants to Maintain Tax-Exempt Status. The following covenants shall
2 be applicable to any Series 2026D Bonds (including any subseries) issued as bonds the
3 interest on which is intended to be excludable from gross income for federal or state income
4 tax purposes (together "Tax Exempt Bonds"), if any:

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

7 "*Closing Date*" means the date on which the Tax Exempt Bonds are first
8 authenticated and delivered to the initial purchasers against payment therefor.

9 "*Code*" means the Internal Revenue Code of 1986, as amended by all
10 legislation, if any, effective on or before the Closing Date.

11 "*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the
12 Regulations.

13 "*Final Computation Date*" has the meaning set forth in Section 1.148-3(e)(2) of
14 the Regulations.

15 "*Gross Proceeds*" means any proceeds as defined in Section 1.148-1(b) of the
16 Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the
17 Regulations, of the Tax Exempt Bonds.

18 "*Investment*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

19 "*Nonpurpose Investment*" means any investment property, as defined in
20 Section 148(b) of the Code, in which Gross Proceeds of the Tax Exempt Bonds are invested
21 and which is not acquired to carry out the governmental purposes of the Tax Exempt Bonds.

22 "*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the
23 Regulations.

24 "*Regulations*" means any proposed, temporary, or final Income Tax Regulations
25 issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal

Revenue Code of 1954, which are applicable to the Tax Exempt Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of:

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

(ii) the Tax Exempt Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

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

(i) exclusively own, operate and possess all property, the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Tax Exempt Bonds, and not use or permit the use

1 of such Gross Proceeds (including all contractual arrangements with terms different
2 than those applicable to the general public) or any property acquired, constructed or
3 improved with such Gross Proceeds in any activity carried on by any person or entity
4 (including the United States or any agency, department and instrumentality thereof)
5 other than a state or local government, unless such use is solely as a member of the
6 general public; and

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

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

24 (e) Not to Invest at Higher Yield. Except to the extent permitted by
25 Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any

1 time prior to the final stated maturity of the Tax Exempt Bonds directly or indirectly invest
2 Gross Proceeds in any Investment, if as a result of such investment the Yield of any
3 Investment acquired with Gross Proceeds, whether then held or previously disposed of,
4 exceeds the Yield of the Tax Exempt Bonds.

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

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

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

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

23 (ii) Not less frequently than each Computation Date, the City shall
24 calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the
25 Code and the Regulations and rulings thereunder. The City shall maintain such

1 calculations with its official transcript of proceedings relating to the issuance of the Tax
2 Exempt Bonds until six years after the Final Computation Date.

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

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

23 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by
24 Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any
25 time prior to the final payment on the Tax Exempt Bonds, enter into any transaction that

1 reduces the amount required to be paid to the United States pursuant to Section 23(h) above
2 because such transaction results in a smaller profit or a larger loss than would have resulted if
3 the transaction had been at arm's length and had the Yield of the Tax Exempt Bonds not been
4 relevant to either party.

5 (j) Elections. The City directs and authorizes the Director of Public Finance
6 and the Controller, either or any combination of them, to make elections permitted or required
7 pursuant to the provisions of the Code or the Regulations, as they deem necessary or
8 appropriate in connection with the Tax Exempt Bonds, in the Certificate as to Tax Exemption
9 or similar or other appropriate certificate, form or document.

10 Section 24. Reimbursement. The City declares its official intent to reimburse prior
11 expenditures of the City incurred prior to the issuance and sale of the Tax Exempt Bonds in
12 connection with the Project or portions thereof to be financed by the Tax Exempt Bonds. The
13 Board of Supervisors declares the City's intent to reimburse the City with the proceeds of the
14 Tax Exempt Bonds for the expenditures with respect to the project ("Expenditures" and each
15 an "Expenditure") made on and after that date that is no more than 60 days prior to adoption
16 of this Resolution. The City reasonably expects on the date of adoption of this Resolution that
17 it will reimburse the Expenditures with the proceeds of the Tax Exempt Bonds.

18 Each Expenditure was and will be either (a) of a type properly chargeable to a capital account
19 under general federal income tax principles (determined in each case as of the date of the
20 Expenditure), (b) a cost of issuance with respect to the Series 2026D Bonds, (c) a
21 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
22 party that is not related to or an agent of the City so long as such grant does not impose any
23 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
24 City. The maximum aggregate principal amount of the Tax Exempt Bonds expected to be
25 issued for the Project is \$107,540,000. The City shall make a reimbursement allocation, which

1 is a written allocation by the City that evidences the City's use of proceeds of the Tax Exempt
2 Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on
3 which the Expenditure is paid or the Project is placed in service or abandoned, but in no event
4 more than three years after the date on which the Expenditure is paid. The City recognizes
5 that exceptions are available for certain "preliminary expenditures," costs of issuance, certain
6 *de minimis* amounts, expenditures by "small issuers" (based on the year of issuance and not
7 the year of expenditure) and expenditures for construction projects of at least 5 years.

8 Section 25. General Authority. The Clerk of the Board of Supervisors, the Mayor, the
9 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each
10 authorized and directed in the name and on behalf of the City to take any and all steps and to
11 issue, deliver or enter into any and all certificates, requisitions, agreements, notices, consents,
12 and other documents as may be necessary to give effect to the provisions of this Resolution,
13 including but not limited to a private placement agreement and investor letter, tax compliance
14 certificates and letters of representations to any depository or depositories, which they or any
15 of them might deem necessary or appropriate in order to consummate the lawful issuance,
16 sale and delivery of the Series 2026D Bonds. Any such actions are solely intended to further
17 the purposes of this Resolution, and are subject in all respects to the terms of this Resolution.
18 No such actions shall increase the risk to the City or require the City to spend any resources
19 not otherwise granted herein. Final versions of any such documents shall be provided to the
20 Clerk of the Board of Supervisors for inclusion in the official file within 30 days (or as soon
21 thereafter as final documents are available) of execution by all parties.

22 Section 26. Effective Date. This Resolution shall take effect upon its enactment.
23 Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution
24 unsigned or does not sign the resolution within ten days of receiving it, or the Board of
25 Supervisors overrides the Mayor's veto of the resolution.

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APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Kenneth D. Roux
KENNETH D. ROUX
Deputy City Attorney