

1 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation - Multiple Capital
2 Improvement Projects - Not to Exceed \$77,170,000]

3 **Ordinance authorizing the execution and delivery of Certificates of Participation, in one**
4 **or more series on a tax-exempt and/or taxable basis and from time to time, evidencing**
5 **and representing an aggregate principal amount of not to exceed \$77,170,000**
6 **(“Certificates”), to finance and refinance certain capital improvement projects within**
7 **the City and County of San Francisco’s (“City”) capital plan and generally consisting of**
8 **critical repairs, renovations and improvements to City-owned buildings, facilities,**
9 **streets and works maintained and utilized by various City departments; approving the**
10 **form of a Supplement to Trust Agreement between the City and U.S. Bank Trust**
11 **Company, National Association (as successor-in-interest to U.S. Bank National**
12 **Association), as trustee (“Trustee”) (including certain indemnities contained therein);**
13 **approving respective forms of a Supplement to Property Lease and a Supplement to**
14 **Project Lease, each between the City and the Trustee, for the lease to the Trustee and**
15 **lease back to the City of all or a portion of certain real property and improvements**
16 **owned by the City and located at 375 Laguna Honda Boulevard within the City and at 1**
17 **Moreland Drive, San Bruno, California, together with any other property determined by**
18 **the City’s Director of Public Finance to be made subject to the lease and lease back**
19 **arrangements; approving the form of an Official Notice of Sale and a Notice of Intention**
20 **to Sell the Certificates; approving the form of an Official Statement in preliminary and**
21 **final form; approving the form of a purchase contract between the City and one or more**
22 **initial purchasers of the Certificates; approving the form of a Continuing Disclosure**
23 **Certificate, as defined herein; granting general authority to City officials to take**
24 **necessary actions in connection with the authorization, sale, execution and delivery of**
25 **the Certificates; approving modifications to documents, as defined herein; ratifying**

1 previous actions taken in connection therewith, as defined herein; and repealing and
2 rescinding a portion of the authorization to issue Certificates of Participation of the
3 City established through the adoption of Ordinance No. 226-19 of the City on October
4 11, 2019.

5 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.
7 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
8 **Board amendment additions** are in double-underlined Arial font.
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.
10 **Asterisks (* * * *)** indicate the omission of unchanged Code
11 subsections or parts of tables.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. Background.

14 (a) The Board of Supervisors (“Board of Supervisors” or “Board”) of the City and
15 County of San Francisco (“City”) desires to provide funds to finance and refinance certain
16 capital improvement projects within the City, including but not limited to certain projects
17 within the City’s capital plan and generally consisting of critical repairs, renovations and
18 improvements to City-owned buildings, facilities, streets and works maintained and utilized
19 by various City departments (“Project”), (ii) fund a debt service or other similar reserve for
20 the Certificates, as appropriate; and (iii) pay costs of issuance of the Certificates, and the
21 City is authorized pursuant to its charter (“Charter”) and the laws of the State to enter into
22 lease financings for such purposes.

23 (b) The City and U.S. Bank Trust Company, National Association (as successor-
24 in-interest to U.S. Bank National Association), as trustee (“Trustee”), have previously
25 entered into a Property Lease, dated as of May 1, 2009 (“Original Property Lease”),
pursuant to which the City has leased certain real property and all improvements thereon,

1 generally consisting of certain land and improvements comprising portions of the Laguna
2 Honda Hospital campus within the City (“Laguna Honda Hospital”), owned by the City and
3 located at 375 Laguna Honda Boulevard within the City (collectively, the “Prior Leased
4 Property”) to the Trustee.

5 (c) The Trustee and the City have previously entered into a Project Lease, dated
6 as of May 1, 2009 (“Original Project Lease”), pursuant to which the Trustee has leased the
7 Prior Leased Property back to the City.

8 (d) The City previously caused the execution and delivery of the City and County
9 of San Francisco Certificates of Participation, Series 2009A (Multiple Capital Improvement
10 Projects) (“2009A Certificates”) pursuant to a Trust Agreement, dated as of May 1, 2009, by
11 and between the City and the Trustee (“Original Trust Agreement” and, together with the
12 Original Property Lease and the Original Project Lease, the “Original Agreements”).

13 (e) The 2009A Certificates evidenced direct undivided interests in the lease
14 payments made by the City under the Original Project Lease.

15 (f) The Original Trust Agreement provides for the issuance of additional
16 certificates of participation by the execution and delivery of a supplement to the Original
17 Trust Agreement, and authorizes the principal and interest with respect to said certificates
18 of participation to be secured by a supplement to the Original Property Lease and to be paid
19 from amounts paid by the City under a supplement to the Original Project Lease.

20 (g) The City subsequently caused the execution and delivery of the City and
21 County of San Francisco Certificates of Participation, Series 2009B (Multiple Capital
22 Improvement Projects) (“2009B Certificates” and, together with the 2009A Certificates,
23 “2009 Certificates”) pursuant to a First Supplement to Trust Agreement, dated as of
24 September 1, 2009 (“First Supplement to Trust Agreement”), supplementing the Original
25 Trust Agreement.

1 (h) In connection therewith, the City and the Trustee have previously entered into
2 a First Supplement to Property Lease, dated as of September 1, 2009 (“First Supplement to
3 Property Lease”), supplementing the Original Property Lease.

4 (i) In connection therewith, the City and the Trustee have previously entered into
5 a First Supplement to Project Lease, dated as of September 1, 2009 (“First Supplement to
6 Project Lease”), supplementing the Original Project Lease.

7 (j) The 2009B Certificates evidenced direct undivided interests in the lease
8 payments made by the City under the Original Project Lease, as supplemented by the First
9 Supplement to Project Lease, on a parity basis with the 2009A Certificates.

10 (k) The City subsequently caused the execution and delivery of the City and
11 County of San Francisco Certificates of Participation, Series 2012A (Multiple Capital
12 Improvement Projects) (“2012A Certificates”), in order to provide funds for certain street
13 improvements of the City, pursuant to a Second Supplement to Trust Agreement, dated as
14 of June 1, 2012 (“Second Supplement to Trust Agreement”), supplementing the Original
15 Trust Agreement.

16 (l) In connection therewith, the City and the Trustee have previously entered into
17 a Second Supplement to Property Lease, dated as of June 1, 2012 (“Second Supplement to
18 Property Lease”), supplementing the Original Property Lease.

19 (m) In connection therewith, the City and the Trustee have previously entered into
20 a Second Supplement to Project Lease, dated as of June 1, 2012 (“Second Supplement to
21 Project Lease”), supplementing the Original Project Lease.

22 (n) The 2012A Certificates evidenced direct undivided interests in the lease
23 payments made by the City under the Original Project Lease, as supplemented by the First
24 Supplement to Project Lease and Second Supplement to Project Lease, on a parity basis
25 with the 2009 Certificates.

1 (o) The City subsequently caused the execution and delivery of the City and
2 County of San Francisco Refunding Certificates of Participation, Series 2019-R1 (Multiple
3 Capital Improvement Projects) (“2019-R1 Certificates”) pursuant to a Third Supplement to
4 Trust Agreement, dated as of November 1, 2019 (“Third Supplement to Trust Agreement”),
5 supplementing the Original Trust Agreement, which 2019-R1 Certificates were issued to
6 prepay all of the then-outstanding 2009 Certificates.

7 (p) In connection therewith, the City and the Trustee have previously entered into
8 a Third Supplement to Property Lease, dated as of November 1, 2019 (“Third Supplement
9 to Property Lease”), supplementing the Original Property Lease.

10 (q) In connection therewith, the City and the Trustee have previously entered into
11 a Third Supplement to Project Lease, dated as of November 1, 2019 (“Third Supplement to
12 Project Lease”), supplementing the Original Project Lease;

13 (r) The 2019-R1 Certificates evidence direct undivided interests in the lease
14 payments made by the City under the Original Project Lease, as supplemented by the First
15 Supplement to Project Lease, the Second Supplement to Project Lease and the Third
16 Supplement to Project Lease, on a parity basis with the 2012A Certificates.

17 (s) The City subsequently caused the execution and delivery of the City and
18 County of San Francisco Refunding Certificates of Participation, Series 2020-R1 (Multiple
19 Capital Improvement Projects) (“2020-R1 Certificates”) pursuant to a Fourth Supplement to
20 Trust Agreement, dated as of November 1, 2020 (“Fourth Supplement to Trust Agreement”),
21 supplementing the Original Trust Agreement, which 2020-R1 Certificates were issued to
22 prepay all of the then-outstanding City and County of San Francisco Refunding Certificates
23 of Participation, Series 2010A (“2010A Certificates”) issued pursuant to that certain Trust
24 Agreement, dated as of September 1, 2010 (“2010A Trust Agreement”), by and between the
25

1 City and the City and U.S. Bank National Association, as successor trustee (“2010A
2 Trustee”).

3 (t) The City’s prepayment of all of the 2010A Certificates permitted the City to
4 terminate (i) the 2010A Trust Agreement, (ii) that certain Property Lease between the City
5 and the 2010A Trustee, dated as of September 1, 2010 (“2010A Property Lease”), pursuant
6 to which the City had leased certain City-owned real property located at 1 Moreland Drive,
7 San Bruno, California and all improvements thereon, generally known as the San Bruno
8 Complex (“San Bruno Complex Property”) to the 2010A Trustee, and (iii) that certain Project
9 Lease between the City and the 2010A Trustee, dated as of September 1, 2010 (“2010A
10 Project Lease”), pursuant to which the 2010A Trustee had leased the San Bruno Complex
11 Property back to the City, which termination of the 2010A Trust Agreement, 2010A Property
12 Lease and 2010A Project Lease caused the San Bruno Complex Property to then be
13 unencumbered and vest in the City.

14 (u) In connection with the execution and delivery of the 2020-R1 Certificates, the
15 City and the Trustee have previously entered into a Fourth Supplement to Property Lease,
16 dated as of November 1, 2020 (“Fourth Supplement to Property Lease”), supplementing
17 and amending the Original Property Lease, including to add the San Bruno Complex
18 Property to the Leased Property subject thereto.

19 (v) In connection with the execution and delivery of the 2020-R1 Certificates, the
20 City and the Trustee have previously entered into a Fourth Supplement to Project Lease,
21 dated as of November 1, 2020 (“Fourth Supplement to Project Lease”), supplementing and
22 amending the Original Project Lease, including to add the San Bruno Complex Property to
23 the Leased Property subject thereto.

24 (w) The 2020-R1 Certificates evidence direct undivided interests in the lease
25 payments made by the City under the Original Project Lease, as supplemented by the First

1 Supplement to Project Lease, the Second Supplement to Project Lease, the Third
2 Supplement to Project Lease and the Fourth Supplement to Project Lease, on a parity basis
3 with the then-outstanding 2012A Certificates and the 2019-R1 Certificates.

4 (x) The City subsequently caused the execution and delivery of the City and
5 County of San Francisco Certificates of Participation, Series 2021A (Multiple Capital
6 Improvement Projects) (“2021A Certificates”) pursuant to a Fifth Supplement to Trust
7 Agreement, dated as of May 1, 2021 (“Fifth Supplement to Trust Agreement”),
8 supplementing the Original Trust Agreement.

9 (y) In connection therewith, the City and the Trustee have previously entered into
10 a Fifth Supplement to Property Lease, dated as of May 1, 2021 (“Fifth Supplement to
11 Property Lease”), supplementing and amending the Original Property Lease, including to
12 add the improvements on the Laguna Honda Hospital campus generally known as the
13 South Residence building and the land associated therewith (collectively, the “South
14 Residence”) to the Leased Property subject thereto, as authorized by the City’s Ordinance
15 No. 226-19 and its Ordinance No. 227-19, each approved as of October 11, 2019.

16 (z) In connection therewith, the City and the Trustee have previously entered into
17 a Fifth Supplement to Project Lease, dated as of May 1, 2021 (“Fifth Supplement to Project
18 Lease”), supplementing and amending the Original Project Lease, including to add the
19 South Residence to the Leased Property subject thereto, as authorized by the City’s
20 Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of October 11,
21 2019.

22 (aa) The 2021A Certificates evidence direct undivided interests in the lease
23 payments made by the City under the Original Project Lease, as supplemented by the First
24 Supplement to Project Lease, the Second Supplement to Project Lease, the Third
25 Supplement to Project Lease, the Fourth Supplement to Project Lease and the Fifth

1 Supplement to Project Lease, on a parity basis with the then-outstanding 2012A
2 Certificates, the 2019-R1 Certificates and the 2020-R1 Certificates.

3 (bb) The 2021A Certificates were executed and delivered by the City in the
4 aggregate principal amount of \$76,020,000 as portions of the issuance authority provided
5 therefor under the City's Ordinance No. 226-19 and its Ordinance No. 227-19, each
6 approved as of October 11, 2019.

7 (cc) The City, pursuant to its Ordinance No. 61-16, approved as of April 27, 2016;
8 pursuant to its Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of
9 October 11, 2019; pursuant to its Ordinance No. 281-19, approved as of December 20,
10 2019; pursuant to its Ordinance No. 222-20, approved as of November 6, 2020; pursuant to
11 its Ordinance No. 123-21, approved as of August 4, 2021; pursuant to its Ordinance No.
12 183-22, approved as of August 4, 2022; pursuant to its Ordinance No. 101-23 and its
13 Ordinance No. 102-23, each approved as of June 2, 2023, has authorized (i) the expansion
14 of the Leased Property subject to the Original Property Lease, as previously supplemented,
15 and subject to the Original Project Lease, as previously supplemented, pursuant to
16 additional supplements to such Original Property Lease and Original Project Lease to be
17 executed and delivered in the future, to include (A) the entire campus of Laguna Honda
18 Hospital (except for the portion thereof generally known as the City's Juvenile Detention
19 Center) and (B) such other City-owned and then-unencumbered property as may be
20 determined by the City's Director of Public Finance to be made subject to the Original
21 Property Lease, as previously supplemented, and subject to the Original Project Lease, as
22 previously supplemented, and (ii) the execution and delivery of additional certificates of
23 participation of the City to be issued as "Additional Certificates" under the Original Trust
24 Agreement, pursuant to additional supplements to the Original Trust Agreement, as
25 previously supplemented, to be executed and delivered in the future, to (A) finance various

1 projects in and of the City in an aggregate principal amount of up to \$770,480,000
2 (collectively, "Additional Improvement Certificates") and (B) refinance previously issued and
3 outstanding certificates of participation (including, potentially, and among other certificates
4 of participation of the City, all or a portion of the 2012A Certificates) with the proceeds of
5 refunding certificates of participation in an aggregate principal amount of up to
6 \$275,000,000 ("Additional Refunding Certificates" and, together with the Additional
7 Improvement Certificates, "Additional Improvement and Refunding Certificates"), and when
8 issued, such Additional Improvement and Refunding Certificates are to be secured and
9 payable on a parity basis with the 2012A Certificates (only to the extent any 2012A
10 Certificates remain outstanding at such time of issuance), the 2019-R1 Certificates, the
11 2020-R1 Certificates, the 2021A Certificates, any theretofore issued Additional
12 Improvement and Refunding Certificates, and the Certificates (defined below) herein
13 authorized, which supplements to the Original Property Lease, Original Project Lease and
14 Original Trust Agreement may be executed and delivered and which Additional
15 Improvement and Refunding Certificates may be issued as previously authorized, in whole
16 or in part, on a tax-exempt and/or taxable basis, prior to, on, or after the date of the
17 adoption of this Ordinance.

18 (dd) The Board, as advised by the City's Office of Public Finance, has determined
19 that \$22,385,000 in aggregate principal amount of the Additional Improvement Certificates
20 authorized to be issued pursuant to Ordinance No. 226-19, approved as of October 11,
21 2019, will not be issued, and this Board now desires to partially repeal such Ordinance No.
22 226-19 solely to reduce the amount of Additional Improvement Certificates authorized to be
23 issued thereunder and to rescind the authority granted thereunder to issue and sell
24 \$22,385,000 in aggregate principal amount of Additional Improvement Certificates, resulting
25 in an aggregate principal amount of up to \$748,095,000 in Additional Improvement

1 Certificates authorized to be issued pursuant to Ordinance No. 61-16, approved as of
2 April 27, 2016; Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of
3 October 11, 2019; Ordinance No. 281-19, approved as of December 20, 2019; Ordinance
4 No. 222-20, November 6, 2020; Ordinance No. 123-21, approved as of August 4, 2021;
5 Ordinance No. 183-22, approved as of August 4, 2022; and Ordinance No. 102-23,
6 approved as of June 2, 2023.

7 (ee) The Board desires to finance the Project and to cause the execution and
8 delivery of one or more additional series of certificates of participation (as further defined
9 herein, the "Certificates") in an aggregate principal amount not to exceed \$77,170,000.

10 (ff) The Certificates will be executed and delivered in one or more series, from
11 time to time, on a tax-exempt and/or taxable basis pursuant to a one or more supplements
12 to the Original Trust Agreement (each, a "Supplement to Trust Agreement"), by and
13 between the City and the Trustee, supplementing the Original Trust Agreement.

14 (gg) In connection with the execution and delivery of the Certificates, the Board
15 desires to cause the execution of one or more supplements to the Original Property Lease
16 (each, a "Supplement to Property Lease"), supplementing and amending the Original
17 Property Lease (i) if determined to be necessary and advisable by the Director of Public
18 Finance, supplementing and amending the Original Property Lease to supplement the
19 Leased Property (defined below), pursuant to Section 18 of the Original Property Lease,
20 Section 7.02 of the Original Trust Agreement and Sections 16 and 20 of the Original Project
21 Lease (collectively, the "Leased Property Amendment Provisions"), by the addition to such
22 Leased Property of any City-owned and then-unencumbered property, in each case as
23 determined by the Director of Public Finance and all as specified in the Supplement to
24 Property Lease (collectively, the "Additional Leased Property"), and (ii) to provide for
25 additional rental to be paid by the Trustee in connection with the financing of the Project and

1 certain related matters and pursuant to which the City intends to lease to the Trustee the
2 Prior Leased Property, as previously supplemented and as further supplemented to include
3 the Additional Leased Property, if any, as specified in the Supplement to Property Lease
4 (collectively, the “Leased Property”); one or more supplements to the Original Project Lease
5 (each, a “Supplement to Project Lease”), supplementing and amending the Original Project
6 Lease to supplement the Leased Property pursuant to the Leased Property Amendment
7 Provisions, by the addition of all or a portion of the Additional Leased Property, if any, all as
8 specified in the applicable Supplement or Supplements to Project Lease, and to provide for
9 (i) the leasing of the Leased Property back to the City, (ii) the additional Base Rental to be
10 paid by the City in connection with the issuance of the Certificates and the financing of the
11 Project and (iii) certain related matters, with such additional changes to the Supplement to
12 Property Lease and Supplement to Project Lease as shall be determined by the Director of
13 Public Finance; a form of a purchase contract between the City and one or more initial
14 purchasers of the Certificates (“Purchase Contract”); a Continuing Disclosure Certificate and
15 certain other related documents.

16 (hh) The Certificates, when issued, will evidence direct undivided interests in the
17 lease payments made by the City under the Original Project Lease, as previously
18 supplemented and amended and as supplemented and amended by the Supplement or
19 Supplements to Project Lease, on a parity basis with the outstanding 2012A Certificates (if
20 any), 2019-R1 Certificates, 2020-R1 Certificates, 2021A Certificates and Additional
21 Improvement and Refunding Certificates issued prior to or concurrently with the issuance of
22 the Certificates.

23 (ii) The Board has been presented with the forms of certain documents and
24 agreements referred to herein relating to the Certificates, and the Board has examined and
25

1 is approving each such document and agreement and desires to authorize the execution of
2 such documents and agreements and the consummation of such financing.

3 (jj) The Board has received from the City's Office of Public Finance and disclosed
4 to the public certain good faith estimates, as required by Section 5852.1 of the California
5 Government Code, regarding certain costs relating to, the net proceeds of, and the debt
6 service cost of the proposed issuance of the Certificates, which estimated information has
7 been provided by the City's municipal advisor, KNN Public Finance, LLC, and which
8 estimated information is based upon conditions that are subject to change prior to, on, or
9 after the date of final adoption of this Ordinance, including prevailing market conditions.

10 (kk) Upon the effectiveness of this Ordinance, all conditions, things and acts
11 required by law to exist, to happen and to be performed precedent to and as a condition of
12 the execution and delivery of the Supplement or Supplements to Property Lease, the
13 Supplement or Supplements to Project Lease, the Supplement or Supplements to Trust
14 Agreement, the Purchase Contract(s), the Continuing Disclosure Certificate, the Official
15 Statement (as defined herein) and the Certificates will exist, have happened and have been
16 performed in due time, form and manner in accordance with applicable law, and the City
17 shall be authorized pursuant to its Charter and other applicable law to execute and deliver
18 each Supplement to Property Lease, each Supplement to Project Lease, the Purchase
19 Contract(s), the Continuing Disclosure Certificate, each Supplement to Trust Agreement
20 and the Official Statement and to cause the execution and delivery of the Certificates in the
21 manner and form provided in this Ordinance.

22 (ll) The City has paid and expects to pay certain expenditures in connection with
23 the Project to be financed by the Certificates prior to the execution and delivery of the
24 Certificates, and the City intends to reimburse itself and to pay third parties for such prior
25 expenditures from the proceeds of the Certificates.

1 (mm) Section 1.150-2 of the Treasury Regulations promulgated under the Internal
2 Revenue Code of 1986, as amended (“Reimbursement Regulations”), requires the City to
3 declare its reasonable official intent to reimburse prior expenditures with the proceeds of a
4 subsequent borrowing.

5 (nn) The Reimbursement Regulations require that any reimbursement allocation of
6 proceeds of the Certificates to be made with respect to expenditures incurred prior to the
7 execution and delivery of the Certificates will occur not later than eighteen (18) months after
8 the later of (i) the date on which the expenditure is paid or (ii) the date on which the facilities
9 are placed in service, but in no event later than three (3) years after the expenditure is paid.

10 (oo) The adoption of this Ordinance constitutes authorization of the Certificates
11 within the meaning of Section 864 of the California Code of Civil Procedure, as amended,
12 and any Validation Act that is effective after this Ordinance takes effect.

13
14 Section 2. Findings and Determinations.

15 a. Findings. The Board hereby finds and determines that the recitals set forth
16 above are true and correct.

17 b. Conditions Precedent. All conditions, things and acts required by law to exist, to
18 happen and to be performed precedent to the execution and delivery of the Certificates exist,
19 have happened and have been performed in due time, form and manner in accordance with
20 applicable law, and the City is now authorized pursuant to its Charter and applicable law to
21 incur indebtedness in the manner and form provided in this Ordinance.

22
23 Section 3. File Documents. The documents presented to the Board and on file with
24 the Clerk of the Board of Supervisors or his, her or their designee (collectively, the “Clerk”) are
25 contained in File No. 230833.

1 Section 4. Authorization of the Certificates. The Board hereby authorizes and
2 approves the execution and delivery of the Certificates in one or more series on a tax-exempt
3 and/or taxable basis and on one or more delivery dates in accordance with the applicable
4 Supplement to Trust Agreement. The proceeds of the Certificates will be used, together with
5 other available funds of the City, to (i) finance and/or refinance the Project, including through
6 the retirement of certain commercial paper notes of the City issued therefor; (ii) fund a debt
7 service or other similar reserve, as appropriate; and (iii) pay costs of issuance of the
8 Certificates. The Certificates shall be designated as “City and County of San Francisco
9 Certificates of Participation (Multiple Capital Improvement Projects)” with such other or
10 additional designations as to series and sub-series, tax-exempt and/or taxable status and the
11 year of execution and delivery as determined by the Director of Public Finance or his, her or
12 their designee.

13 (a) Certain Terms of the Certificates. The Certificates shall evidence an aggregate
14 principal amount of not to exceed Seventy-Seven Million One Hundred Seventy Thousand
15 Dollars (\$77,170,000), and shall evidence interest at a true interest cost up to but not to
16 exceed twelve percent (12%) per annum. The Certificates shall be subject to prepayment as
17 set forth in the applicable Supplement to Project Lease and Supplement to Trust Agreement.
18 The Director of Public Finance is hereby authorized, to the extent such officer deems it
19 necessary or advisable and financially advantageous to the City, to procure credit
20 enhancement for the Certificates, including but not limited to municipal bond insurance and/or
21 a debt service reserve fund surety policy.

22 (b) Tax Status of the Certificates. The Director of Public Finance is hereby
23 authorized, to the extent such officer deems it necessary or advisable and in the interests of
24 the City, to cause the execution and delivery of the Certificates (i) with interest with respect
25 thereto being exempt or not exempt from federal income tax, and (ii) under any federal tax law

1 provisions which provide for federal grants or credits to the City or to investors in lieu of the
2 exemption of interest from federal income tax.

3 (c) Approval of the Supplement to Trust Agreement. The form of a Supplement to
4 Trust Agreement between the City and the Trustee, as presented to the Board, a copy of
5 which is on file with the Clerk, is hereby approved. The Mayor of the City (“Mayor”) or the
6 City’s Controller (“Controller”) is hereby authorized, and each may select a designee who is
7 authorized, to execute and deliver one or more Supplements to Trust Agreement in the form
8 hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City
9 on such Supplement or Supplements to Trust Agreement, with such changes, additions and
10 modifications as the Mayor or the Controller may make or approve in accordance with Section
11 20 hereof.

12
13 Section 5. Approval of the Supplement to Property Lease. The form of a Supplement
14 to Property Lease between the City and the Trustee, as presented to the Board, a copy of
15 which is on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby
16 authorized, and each may select a designee who is authorized, to execute and deliver one or
17 more Supplements to Property Lease in the form hereby approved, and the Clerk is hereby
18 authorized to attest to and affix the seal of the City on such Supplement or Supplements to
19 Property Lease, with such changes, additions and modifications as the Mayor or the
20 Controller may make or approve in accordance with Section 20 hereof.

21
22 Section 6. Approval of the Supplement to Project Lease. The form of a Supplement to
23 Project Lease between the City and the Trustee, as presented to the Board, a copy of which is
24 on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby authorized,
25 and each may select a designee who is authorized, to execute and deliver one or more

1 Supplements to Project Lease in the form hereby approved, and the Clerk is hereby
2 authorized to attest to and affix the seal of the City on such Supplement or Supplements to
3 Project Lease with such changes, additions and modifications as the Mayor or Controller may
4 make or approve in accordance with Section 20 hereof; provided, however, that the maximum
5 Base Rental (as defined in the Project Lease) to be paid under such Supplement(s) to Project
6 Lease in any fiscal year shall not exceed Ten Million Four Hundred Thousand Dollars
7 (\$10,400,000) and the term of any Supplement to Project Lease shall not extend beyond the
8 30th year following its date of execution, as such initial term may be extended in accordance
9 with the Project Lease.

10

11 Section 7. Approval of the Leased Property and the Base Rental Payments. The
12 Board hereby approves the leasing, pursuant to the terms of the Supplement to Property
13 Lease and the Supplement to Project Lease, of all or a portion of the Leased Property,
14 including as such Leased Property may be supplemented, as determined by the Director of
15 Public Finance, pursuant to the applicable provisions of the Property Lease and the Project
16 Lease. The Board also hereby approves the payment by the City of the Base Rental with
17 respect thereto.

18

19 Section 8. Sale and Award of Certificates by Competitive Sale. In the event the
20 Director of Public Finance determines to sell the Certificates by competitive sale, the Director
21 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive
22 bids for the purchase of the Certificates, and the Controller and the Director of Public Finance
23 are each hereby authorized and directed to award the Certificates to the bidder whose bid
24 represents the lowest true interest cost to the City, all in accordance with the procedures
25 described in the Official Notice of Sale (as defined herein).

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Section 9. Approval of Form of Official Notice of Sale. The form of an official notice of sale relating to the Certificates (“Official Notice of Sale”), as presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public Finance is authorized to approve the distribution of an Official Notice of Sale for the Certificates, with such changes, additions and modifications as such official may make or approve in accordance with Section 20 hereof.

Section 10. Approval of Notice of Intention to Sell Relating to the Certificates. The form of a notice of intention to sell relating to the Certificates (“Notice of Intention to Sell”), as presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public Finance is hereby authorized to approve the publication of the Notice of Intention to Sell relating to the Certificates, with such changes, additions and modifications as such official may make or approve in accordance with Section 20 hereof.

Section 11. Sale of Certificates by Negotiated Sale. If the Controller or the Director of Public Finance determines to sell the Certificates by negotiated sale, the Controller or the Director of Public Finance is hereby authorized, and each may select a designee who is authorized, to sell the Certificates by negotiated sale pursuant to one or more Purchase Contracts by and between the City and the underwriter or underwriters named therein; provided, however, that the underwriters’ discount under any such Purchase Contract shall not exceed one-half of one percent (0.5%) of the principal amount of the Certificates. The form of Purchase Contract, as presented to the Board, a copy of which is on file with the Clerk, is hereby approved.

1 Section 12. Authorization to Appoint Underwriters. To accomplish the sale of the
2 Certificates by negotiated sale, if applicable, the Controller or the Director of Public Finance is
3 hereby authorized to appoint one or more financial institutions to act as underwriter(s) for the
4 Certificates in accordance with City policies and procedures, including but not limited to the
5 City’s policy to provide locally disadvantaged business enterprises an equal opportunity to
6 participate in the performance of all City contracts.

7
8 Section 13. Approval of the Official Statement in Preliminary and Final Form. The form
9 of an official statement relating to the Certificates (“Official Statement”), as presented to this
10 Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved. The
11 Controller is hereby authorized to approve the preliminary Official Statement in substantially
12 said form, with such changes, additions, modifications (including but not limited to the
13 inclusion of the most current City financial information) or deletions as such official may make
14 or approve in accordance with Section 20 hereof, and to deem the preliminary Official
15 Statement final for purposes of the Rule 15c2-12 of the Securities and Exchange Act of 1934,
16 as amended, to execute, and to designate the Director of Public Finance to execute in his, her
17 or their stead, a certificate to that effect, and to cause the preliminary Official Statement to be
18 delivered, in printed or electronic form, to potential purchasers of the Certificates, such
19 approval to be conclusively evidenced by the delivery of said deemed-final certificate. The
20 Controller is hereby further authorized and directed to sign and deliver the Official Statement
21 in final form to purchasers of the Certificates.

22
23 Section 14. Approval of the Continuing Disclosure Certificate. The form of a
24 Continuing Disclosure Certificate of the City relating to the Certificates, as presented to the
25 Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or the

1 Director of Public Finance is hereby authorized to execute the Continuing Disclosure
2 Certificate, with such changes, additions, modifications or deletions as the Controller or the
3 Director of Public Finance may approve upon consultation with the City Attorney; such
4 approval to be conclusively evidenced by the execution and delivery of the Continuing
5 Disclosure Certificate.

6

7 Section 15. Sale and Award of Certificates by Direct Placement. In the event the
8 Director of Public Finance determines to sell the Certificates by direct placement, the Director
9 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive
10 bids for the purchase of the Certificates, and the Controller is hereby authorized and directed
11 to award the Certificates to the bidder whose bid represents the lowest true interest cost to the
12 City.

13

14 Section 16. Authorization to Appoint Placement Agents. To accomplish the sale of the
15 Certificates by direct placement, if applicable, the Controller or the Director of Public Finance
16 is hereby authorized to appoint one or more financial institutions to act as placement agent(s)
17 for the Certificates in accordance with City policies and procedures, including but not limited to
18 the City's policy to provide locally disadvantaged business enterprises an equal opportunity to
19 participate in the performance of all City contracts.

20

21 Section 17. Reimbursement. The City declares its official intent to reimburse prior
22 expenditures of the City incurred prior to the execution and delivery of the Certificates in
23 connection with the Project or portions thereof with the proceeds of the Certificates. The
24 Board of Supervisors declares the City's intent to reimburse the City with the proceeds of the
25 Certificates for the expenditures with respect to the Project ("Expenditures" and each, an

1 “Expenditure”) made on and after that date that is no more than 60 days prior to adoption of
2 this Ordinance. The City reasonably expects on the date of adoption of this Ordinance that it
3 will reimburse the Expenditures with the proceeds of the Certificates.
4

5 Section 18. Terms of Reimbursement. Each Expenditure was and will be either (a) of
6 a type properly chargeable to a capital account under general federal income tax principles
7 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with
8 respect to the Certificates, (c) a nonrecurring item that is not customarily payable from current
9 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such
10 grant does not impose any obligation or condition (directly or indirectly) to repay any amount
11 to or for the benefit of the City. The maximum aggregate principal amount of the Certificates
12 expected to be executed and delivered for the Project is \$77,170,000. The City shall make a
13 reimbursement allocation, which is a written allocation by the City that evidences the City’s
14 use of proceeds of the Certificates to reimburse an Expenditure, no later than 18 months after
15 the later of the date on which the Expenditure is paid or the Project is placed in service or
16 abandoned, but in no event more than three (3) years after the date on which the Expenditure
17 is paid. The City recognizes that exceptions are available for certain “preliminary
18 expenditures,” costs of issuance, certain de minimis amounts, expenditures by “small issuers”
19 (based on the year of issuance and not the year of expenditure) and expenditures for
20 construction projects of at least five (5) years.
21

22 Section 19. General Authority. The Mayor, the Treasurer, the City Attorney, the
23 Controller, the City Administrator, the Director of Public Finance, the Clerk and other officers
24 of the City and their duly authorized deputies, designees and agents are hereby authorized
25 and directed, jointly and severally, to take such actions and to execute and deliver such

1 certificates, agreements, requests or other documents as they may deem necessary or
2 desirable to accomplish the purposes of this Ordinance, including but not limited to the
3 execution and delivery of any Supplement to Property Lease, any Supplement to Project
4 Lease, any Supplement to Trust Agreement, the Official Statement, one or more Purchase
5 Contracts, the Continuing Disclosure Certificate and the Certificates, to obtain bond insurance
6 or other credit enhancements and/or a surety policy with respect to the Certificates, to obtain
7 title insurance, to clear any encumbrances to title and to carry out other title work. Any such
8 actions are solely intended to further the purposes of this Ordinance and are subject in all
9 respects to the terms of this Ordinance. No such actions shall increase the risk to the City or
10 require the City to spend any resources not otherwise granted herein. Final versions of any
11 such documents shall be provided to the Clerk for inclusion in the official file within 30 days of
12 execution (or as soon thereafter as final documents are available) by all parties.

13

14 Section 20. Modifications, Changes and Additions. The Mayor, the Treasurer, the
15 Controller and the Director of Public Finance each are hereby authorized, and each may
16 select a designee who is authorized, to make such modifications, changes and additions to
17 the documents and agreements approved hereby, upon consultation with the City Attorney, as
18 may be necessary or desirable and in the interests of the City, and which changes do not
19 materially increase the City's obligations or reduce its rights thereunder or hereunder. The
20 respective official's approval of such modifications, changes and additions shall be
21 conclusively evidenced by the execution and delivery by such official and the Clerk of the
22 applicable Supplement to Property Lease, Supplement to Project Lease and Supplement to
23 Trust Agreement, one or more Purchase Contracts or any of the other documents approved in
24 this Ordinance. Any such actions are solely intended to further the purposes of this Ordinance
25 and are subject in all respects to the terms of this Ordinance. No such actions shall increase

1 the risk to the City or require the City to spend any resources not otherwise granted herein.
2 Final versions of any such documents shall be provided to the Clerk for inclusion in the official
3 file within 30 days (or as soon thereafter as final documents are available) of execution by all
4 parties.

5
6 Section 21. Partial Repeal of Ordinance No. 226-19. Ordinance No. 226-19 is hereby
7 repealed in part solely to reduce by \$22,385,000 in aggregate principal amount the Additional
8 Improvement and Refunding Certificates authorized to be issued pursuant thereto, and the
9 authority granted under Ordinance No. 226-19 to issue and sell \$22,385,000 in aggregate
10 principal amount of Additional Improvement and Refunding Certificates is hereby rescinded.

11
12 Section 22. Partial Invalidity. Any provision of this Ordinance found to be prohibited by
13 law shall be ineffective only to the extent of such prohibition, and shall not invalidate the
14 remainder of this Ordinance.

15
16 Section 23. Effective Date. This Ordinance shall take effect immediately.

17
18 Section 24. Ratification of Prior Actions. All actions authorized consistent with any
19 documents presented herein and approved by this Ordinance but heretofore taken are hereby
20 ratified, approved and confirmed by the Board.

21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23 By: /s/ MARK D. BLAKE
24 MARK D. BLAKE
Deputy City Attorney

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