

**DRAFT
11/18/22**

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2
3 [Sale of General Obligation Bonds (Embarcadero Seawall Earthquake Safety, 2018),
4 Series 2023B - Not to Exceed \$42,000,000]

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6 **Resolution authorizing the issuance and sale of not to exceed \$42,000,000**
7 **aggregate principal amount in one or more series of bonds on a tax-exempt or**
8 **taxable basis of City and County of San Francisco General Obligation Bonds**
9 **(Embarcadero Seawall Earthquake Safety, 2018) Series 2023B; prescribing the**
10 **form and terms of such bonds; providing for the appointment of depositories and**
11 **other agents for such bonds; providing for the establishment of accounts and/or**
12 **subaccounts related to such bonds; authorizing the sale of such bonds by**
13 **competitive or negotiated sale; approving the forms of the Official Notice of Sale**
14 **and Notice of Intention to Sell Bonds and directing the publication of the Notice of**
15 **Intention to Sell Bonds; approving the form of the Purchase Contract; approving**
16 **the form of the Preliminary Official Statement and the execution of the Official**
17 **Statement relating to the sale of such bonds; approving the form of the**
18 **Continuing Disclosure Certificate; authorizing and approving modifications to**
19 **such documents; ratifying certain actions previously taken, as defined herein;**
20 **and granting general authority to City officials to take necessary actions in**
21 **connection with the authorization, issuance, sale, and delivery of such bonds, as**
22 **defined herein.**

23 WHEREAS, by Resolution No. 183-18, adopted by the Board of Supervisors (the
24 "Board of Supervisors") of the City and County of San Francisco (the "City") on June 12,
25 2018, and signed by the Mayor (the "Mayor") on June 20, 2018, it was determined and
26 declared that public interest and necessity demand the construction, reconstruction,
27 acquisition, improvement, demolition, seismic strengthening and repair of the

1 Embarcadero Seawall and other critical infrastructure, as further therein described (the
2 “project” or “projects”); and

3 WHEREAS, by Ordinance No. 146-18 passed by the Board of Supervisors on
4 June 26, 2018, and signed by the Mayor on June 28, 2018, and Ordinance No. 178-18
5 passed by the Board of Supervisors on July 24, 2018 and signed by the Mayor on July
6 26, 2018 (together, the “Bond Ordinances”), the Board of Supervisors duly called a
7 special election to be held on November 6, 2018 (the “Bond Election”), for the purpose
8 of submitting to the qualified voters of the City such proposition (“Proposition A”) to incur
9 bonded indebtedness of the City in the amount of \$425,000,000 to finance the Project,
10 and such Proposition A was approved by two-thirds of the qualified voters of the City
11 voting on such proposition, and declaration of such Bond Election results was made by
12 the Board of Supervisors pursuant to Resolution No. 420-18 on December 4, 2018, and
13 approved by the Mayor on December 12, 2018; and

14 WHEREAS, by Resolution No. 323-19, adopted by the Board of Supervisors on
15 July 16, 2019 and approved by the Mayor on July 26, 2019 (the “Authorizing
16 Resolution”), the City was authorized to issue its General Obligation Bonds
17 (Embarcadero Seawall Earthquake Safety, 2018) (the “Bonds”) in the not-to-exceed
18 amount of \$425,000,000; and

19 WHEREAS, the City previously issued a portion of the Bonds, Series 2020A in
20 the principal amount of \$49,675,000; and

21 WHEREAS, it is necessary and desirable to issue the second series of the Bonds
22 in one or more subseries on a tax-exempt or a taxable basis, in an aggregate principal
23 amount not to exceed \$42,000,000 (the “Series 2023B Bonds”), to finance a portion of
24 the costs of the Project; and

1 WHEREAS, the Series 2023B Bonds are being issued pursuant to the
2 Authorizing Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the
3 California Government Code (the "Government Code"), the Charter of the City (the
4 "Charter"), the Bond Ordinances and the Bond Election; and

5 WHEREAS, pursuant to the applicable provisions of the San Francisco
6 Administrative Code (the "Administrative Code") Sections 5.30-5.36, the Citizens'
7 General Obligation Bond Oversight Committee shall conduct an annual review of bond
8 spending and shall provide an annual report on the management of the program to the
9 Mayor and the Board of Supervisors, and, to the extent permitted by law, one tenth of
10 one percent (0.1%) of the gross proceeds of the Series 2023B Bonds shall be
11 deposited in a fund established by the Office of the City Controller (the "Controller") and
12 appropriated by the Board of Supervisors at the direction of the Citizens' General
13 Obligation Bond Oversight Committee to cover the costs of such committee and its
14 review process; and

15 NOW, THEREFORE, BE IT RESOLVED, By the Board of Supervisors of the City
16 and County of San Francisco, as follows:

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

18 Section 2. Conditions Precedent. All conditions, things and acts required by law
19 to exist, to happen and to be performed precedent to and in connection with the
20 issuance of the Series 2023B Bonds exist, have happened and have been performed in
21 due time, form and manner in accordance with applicable law, and the City is now
22 authorized pursuant to the Bond Election, the Authorizing Resolution, the Charter and
23 applicable law to incur indebtedness in the manner and form provided in this Resolution.

1 Section 3. Documents. The documents presented to the Board of Supervisors
2 and on file with the Clerk of the Board of Supervisors or designee thereof (the “Clerk of
3 the Board of Supervisors”) are contained in File No. _____.

4 Section 4. Issuance and Sale of Series 2023B Bonds; Determination of Certain
5 Terms; Designation. The Board of Supervisors authorizes the issuance and sale of not
6 to exceed \$42,000,000 in aggregate principal amount of Bonds to be designated as
7 “City and County of San Francisco General Obligation Bonds (Embarcadero Seawall
8 Earthquake Safety, 2018) Series 2023B [and any subseries designation],” for the
9 purposes set forth in the Bond Ordinances and Proposition A approved by the voters at
10 the Bond Election. Prior to issuance, the Series 2023B Bonds may be subdivided into
11 more than one subseries. For purposes of this Resolution, all of such subdivided series
12 in the aggregate are referred to herein as the “Series 2023B Bonds.”

13 The Director of Public Finance of the City or a designee thereof (the “Director of
14 Public Finance”) is authorized to determine, for the Series 2023B Bonds, the sale date,
15 the interest rates, the definitive principal amount, the maturity dates and the redemption
16 dates, if any, and the terms of any optional or mandatory redemption, subject to the
17 other specific provisions of this Resolution, including the following terms and conditions:
18 (a) the Series 2023B Bonds shall not have a true interest cost (as such term is defined
19 in the Official Notice of Sale (as defined in Section 13) for the Series 2023B Bonds) in
20 excess of 12%; and (b) the Series 2023B Bonds shall not have a final maturity date
21 more than 30 years from their date of issuance. The Director of Public Finance is
22 further authorized to give the Series 2023B Bonds such additional or other series
23 designation, or to modify such series designation, as may be necessary or appropriate
24 to distinguish the Series 2023B Bonds from every other series of Bonds and from other
25 bonds issued by the City.

1 Section 5. Authentication and Registration of the Series 2023B Bonds. Each of
2 the Series 2023B Bonds shall be in fully registered form without coupons in
3 denominations of \$5,000 or any integral multiple of that amount. The officers of the City
4 are directed to cause the Series 2023B Bonds to be prepared in sufficient quantity for
5 delivery to or for the account of their purchaser and the Director, Controller's Office of
6 Public Finance is directed to cause the blanks in the Series 2023B Bonds to be
7 completed in accordance with the Authorizing Resolution, this Resolution, and the Bond
8 Award or Purchase Contract (as defined below), to procure their execution by the
9 proper officers of the City (including by facsimile signature if necessary or convenient,
10 except that any signature for the Clerk of the Board of Supervisors shall be required to
11 be by manual signature) and authentication as provided in this Section, and to deliver
12 the Series 2023B Bonds when so executed and authenticated to the purchaser in
13 exchange for the purchase price, all in accordance with the Authorizing Resolution.

14 The Series 2023B Bonds and the certificate of authentication and registration, to
15 be manually executed by the Treasurer of the City or designee thereof (the "City
16 Treasurer"), and the form of assignment to appear on the Series 2023B Bonds shall be
17 substantially in the form attached as Exhibit A (a copy of which is on file with the Clerk
18 of the Board of Supervisors and which is declared to be a part of this Resolution as if
19 fully set forth in this Resolution), with necessary or appropriate variations, omissions
20 and insertions as permitted or required by this Resolution.

21 Only Series 2023B Bonds bearing a certificate of authentication and registration
22 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to
23 the benefits of the Authorizing Resolution and this Resolution, and such certificate of the
24 City Treasurer, executed as provided in this Resolution, shall be conclusive evidence
25 that the Series 2023B Bonds so authenticated have been duly authenticated and

1 delivered under, and are entitled to the benefits of, the Authorizing Resolution and this
2 Resolution.

3 The Controller shall assign a distinctive letter, or number, or letter and number to
4 each Series 2023B Bond authenticated and registered by the City Treasurer and shall
5 maintain a record thereof which shall be available for inspection.

6 Section 6. Registration Books. The City Treasurer shall keep or cause to be
7 kept, at the office of the City Treasurer or at the designated office of any registrar
8 appointed by the City Treasurer, separate and sufficient books for the registration and
9 transfer of Series 2023B Bonds, which books shall at all times be open to inspection,
10 and upon presentation for such purpose, the City Treasurer shall, under such
11 reasonable regulations as he or she may prescribe, register or transfer or cause to be
12 registered or transferred, on such books, Series 2023B Bonds as provided in this
13 Resolution. The City and the City Treasurer may treat the registered owner of each
14 Series 2023B Bond as its absolute owner for all purposes, and the City and the City
15 Treasurer shall not be affected by any notice to the contrary.

16 Section 7. Transfer or Exchange of Series 2023B Bonds. Any Series 2023B
17 Bond may, in accordance with its terms, be transferred upon the books required to be
18 kept pursuant to the provisions of Section 6, by the person in whose name it is
19 registered, in person or by the duly authorized attorney of such person in writing, upon
20 surrender of such Series 2023B Bond for cancellation, accompanied by delivery of a
21 duly executed written instrument of transfer in a form approved by the City Treasurer.

22 Any Series 2023B Bond may be exchanged at the office of the City Treasurer for
23 a like aggregate principal amount of other authorized denominations of the same
24 interest rate and maturity.

1 Whenever any Series 2023B Bond shall be surrendered for transfer or
2 exchange, the designated City officials shall execute (as provided in Section 5) and the
3 City Treasurer shall authenticate and deliver a new Series 2023B Bond of the same
4 interest rate and maturity in a like aggregate principal amount. The City Treasurer shall
5 require the payment by any bond owner requesting any such transfer of any tax or other
6 governmental charge required to be paid with respect to such transfer or exchange.

7 No transfer or exchange of Series 2023B Bonds shall be required to be made by
8 the City Treasurer during the period from the Record Date (as defined in Section 8(b))
9 next preceding each interest payment date to such interest payment date or after a
10 notice of redemption shall have been mailed with respect to such Series 2023B Bonds.

11 Section 8. Terms of the Series 2023B Bonds; General Redemption Provisions.

12 (a) Date of the Series 2023B Bonds. The Series 2023B Bonds shall
13 be dated the date of their delivery or such other date (the "Dated Date") as is
14 specified in the Bond Award or the Purchase Contract.

15 (b) Payment of the Series 2023B Bonds. The principal of the
16 Series 2023B Bonds shall be payable in lawful money of the United States of
17 America to their owners, upon surrender at maturity or earlier redemption at the
18 office of the City Treasurer. The interest on the Series 2023B Bonds shall be
19 payable in like lawful money to the person whose name appears on the bond
20 registration books of the City Treasurer as the owner as of the close of business
21 on the last day of the month immediately preceding an interest payment date (the
22 "Record Date"), whether or not such day is a Business Day (as defined below).

23 Except as may be otherwise provided in connection with any book-entry-
24 only system applicable to the Series 2023B Bonds, payment of the interest on
25 any Series 2023B Bond shall be made by check mailed on the interest payment

1 date to such owner at such owner's address as it appears on the registration
2 books as of the Record Date; provided, that if any interest payment date occurs
3 on a day that banks in California or New York are closed for business or the New
4 York Stock Exchange is closed for business, then such payment shall be made
5 on the next succeeding day that banks in both California and New York are open
6 for business and the New York Stock Exchange is open for business (each, a
7 "Business Day"); and provided, further, that the registered owner of an aggregate
8 principal amount of at least \$1,000,000 of Series 2023B Bonds may submit a
9 written request to the City Treasurer on or before a Record Date preceding an
10 interest payment date for payment of interest on the next succeeding interest
11 payment date and thereafter by wire transfer to a commercial bank located within
12 the United States of America.

13 For so long as any Series 2023B Bonds are held in book-entry form by a
14 securities depository selected by the City pursuant to Section 10, payment shall
15 be made to the registered owner of the Series 2023B Bonds designated by such
16 securities depository by wire transfer of immediately available funds.

17 (c) Interest on the Series 2023B Bonds. The Series 2023B Bonds
18 shall bear interest at rates to be determined upon the sale of the Series 2023B
19 Bonds, calculated on the basis of a 360-day year comprised of twelve 30-day
20 months, payable on June 15, 2023 (or such other date as may be designated in
21 the Bond Award or Purchase Contract), and semiannually thereafter on June 15
22 and December 15 of each year. Each Series 2023B Bond shall bear interest
23 from the interest payment date next preceding the date of its authentication
24 unless it is authenticated as of a day during the period from the Record Date next
25 preceding any interest payment date to the interest payment date, inclusive, in

1 which event it shall bear interest from such interest payment date, or unless it is
2 authenticated on or before the first Record Date, in which event it shall bear
3 interest from the Dated Date; provided, that if, at the time of authentication of any
4 Series 2023B Bond, interest is in default on the Series 2023B Bonds, such
5 Series 2023B Bond shall bear interest from the interest payment date to which
6 interest has previously been paid or made available for payment on the Series
7 2023B Bonds or from the Dated Date if the first interest payment is not made.

8 (d) Optional Redemption. The Series 2023B Bonds shall be subject to
9 optional redemption prior to maturity as shall be provided in the Official Notice of
10 Sale or the Purchase Contract, as applicable.

11 (e) Mandatory Redemption. The Series 2023B Bonds shall be subject
12 to mandatory redemption as shall be designated by the purchaser pursuant to
13 the terms of the Official Notice of Sale or as designated in the Purchase
14 Contract, as applicable.

15 The principal of and interest on the Series 2023B Bonds subject to
16 mandatory redemption shall be paid from the Series 2023B Bond Subaccount
17 established in Section 9, pursuant to Section 9. In lieu of any such mandatory
18 redemption for Series 2023B Bonds, at any time prior to the selection of Series
19 2023B Bonds for mandatory redemption, the City may apply amounts on deposit
20 in the Series 2023B Bond Subaccount to make such payment to the purchase,
21 at public or private sale, of Series 2023B Bonds subject to such mandatory
22 redemption, and when and at such prices not in excess of the principal amount
23 thereof (including sales commission and other charges but excluding accrued
24 interest), as the City may determine.

1 (f) Selection of Series 2023B Bonds for Redemption. Whenever less
2 than all of the outstanding Series 2023B Bonds are called for redemption on any
3 date, the Director of Public Finance will select the maturities of the Series 2023B
4 Bonds to be redeemed in the sole discretion of the Director of Public Finance.
5 Whenever less than all of the outstanding Series 2023B Bonds maturing on any
6 one date are called for redemption, the manner of selection of the portion of such
7 Series 2023B Bonds called for redemption shall be as specified in the Official
8 Statement for the Series 2023B Bonds.

9 (g) Notice of Redemption. The date on which Series 2023B Bonds
10 that are called for redemption are to be presented for redemption is called the
11 "Redemption Date." The City Treasurer shall mail, or cause to be mailed, notice
12 of any redemption of Series 2023B Bonds, postage prepaid, to the respective
13 registered owners at the addresses appearing on the bond registration books not
14 less than 20 nor more than 60 days prior to the Redemption Date. The notice of
15 redemption shall: (i) state the Redemption Date; (ii) state the redemption price;
16 (iii) state the maturity dates of the Series 2023B Bonds to be redeemed and, if
17 less than all of any such maturity is called for redemption, the distinctive numbers
18 of the Series 2023B Bonds of such maturity to be redeemed, and in the case of
19 any Series 2023B Bonds to be redeemed in part only, the respective portions of
20 the principal amount to be redeemed; (iv) state the CUSIP number, if any, of
21 each Series 2023B Bond to be redeemed; (v) require that such Series 2023B
22 Bonds be surrendered by the owners at the office of the City Treasurer or his or
23 her agent; and (vi) give notice that interest on such Series 2023B Bonds or
24 portions of Series 2023B Bonds to be redeemed will cease to accrue after the
25 Redemption Date. Notice of optional redemption may be conditional upon

1 receipt of funds or other event specified in the notice of redemption as provided
2 in Section 8(j) below.

3 The actual receipt by the owner of any Series 2023B Bond of notice of
4 such redemption shall not be a condition precedent to redemption, and failure to
5 receive such notice, or any defect in such notice so mailed, shall not affect the
6 validity of the proceedings for the redemption of such Series 2023B Bonds or the
7 cessation of accrual of interest on such Series 2023B Bonds on the Redemption
8 Date. Notice of redemption also shall be given, or caused to be given by the City
9 Treasurer, by: (i) registered or certified mail, postage prepaid; (ii) confirmed
10 facsimile transmission; (iii) overnight delivery service; or (iv) to the extent
11 acceptable to the intended recipient, email or similar electronic means, to (A) all
12 organizations registered with the Securities and Exchange Commission as
13 securities depositories, and (B) such other services or organizations as may be
14 required in accordance with the Continuing Disclosure Certificate described in
15 Section 18.

16 The notice or notices required for redemption shall be given by the City
17 Treasurer or any agent appointed by the City. A certificate of the City Treasurer
18 or such other appointed agent of the City that notice of redemption has been
19 given to the owner of any Series 2023B Bond to be redeemed in accordance
20 with this Resolution shall be conclusive against all parties.

21 (h) Series 2023B Redemption Account. At the time the Director of
22 Public Finance determines to optionally call and redeem any of the Series
23 2023B Bonds, the Controller or his or her agent shall establish a redemption
24 account to be described or known as the "General Obligation Bonds, Series
25 2023B Redemption Account" (the "Series 2023B Redemption Account"), and

1 prior to or on the Redemption Date there must be set aside in the Series 2023B
2 Redemption Account moneys available for the purpose and sufficient to redeem,
3 as provided in this Resolution, the Series 2023B Bonds designated in such
4 notice of redemption, subject to the provisions of Section 8(j) below. Such
5 moneys must be set aside in the Series 2023B Redemption Account solely for
6 the purpose of, and shall be applied on or after the Redemption Date to, payment
7 of the redemption price of the Series 2023B Bonds to be redeemed upon
8 presentation and surrender of such Series 2023B Bonds. Any interest due on or
9 prior to the Redemption Date may be paid from the Series 2023B Bond
10 Subaccount as provided in Section 9 or from the Series 2023B Redemption
11 Account. Moneys held from time to time in the Series 2023B Redemption
12 Account shall be invested by the City Treasurer pursuant to the City's policies
13 and guidelines for investment of moneys in the general fund (the "General Fund")
14 of the City. If, after all of the Series 2023B Bonds have been redeemed and
15 canceled or paid and canceled, there are moneys remaining in the Series 2023B
16 Redemption Account, such moneys shall be transferred to the General Fund of
17 the City or to such other fund or account as required by applicable law; provided,
18 that if such moneys are part of the proceeds of refunding bonds, such moneys
19 shall be transferred pursuant to the resolution authorizing such refunding bonds.

20 (i) Effect of Redemption. When notice of optional redemption has
21 been given substantially as provided in this Resolution, and when the amount
22 necessary for the redemption of the Series 2023B Bonds called for redemption
23 (principal, premium, if any, and accrued interest to such Redemption Date) is set
24 aside for that purpose in the Series 2023B Redemption Account, the Series
25 2023B Bonds designated for redemption shall become due and payable on the

1 Redemption Date, and upon presentation and surrender of such Series 2023B
2 Bonds at the place specified in the notice of redemption, such Series 2023B
3 Bonds shall be redeemed and paid at the redemption price out of the Series
4 2023B Redemption Account. No interest will accrue on such Series 2023B
5 Bonds called for redemption after the Redemption Date and the registered
6 owners of such Series 2023B Bonds shall look for payment of such Series
7 2023B Bonds only to the Series 2023B Redemption Account. All Series 2023B
8 Bonds redeemed shall be canceled immediately by the City Treasurer and shall
9 not be reissued.

10 (j) Conditional Notice of Redemption; Rescission of Redemption. Any
11 notice of optional redemption given as provided in Section 8(g) may provide that
12 such redemption is conditioned upon: (i) deposit in the Series 2023B
13 Redemption Account of sufficient moneys to redeem the Series 2023B Bonds
14 called for optional redemption on the anticipated Redemption Date, or (ii) the
15 occurrence of any other event specified in the notice of redemption. If conditional
16 notice of redemption has been given substantially as provided in this clause, and
17 on the scheduled Redemption Date (A) sufficient moneys to redeem the Series
18 2023B Bonds called for optional redemption on the Redemption Date have not
19 been deposited in the Series 2023B Redemption Account, or (B) any other event
20 specified in the notice of redemption as a condition to the redemption has not
21 occurred, then (1) the Series 2023B Bonds for which conditional notice of
22 redemption was given shall not be redeemed on the anticipated Redemption
23 Date and shall remain outstanding for all purposes of this Resolution, and (2) the
24 redemption not occurring shall not constitute a default under this Resolution or
25 the Authorizing Resolution.

1 The City may rescind any optional redemption and notice of it for any
2 reason on any date prior to any Redemption Date by causing written notice of the
3 rescission to be given to the owners of all Series 2023B Bonds so called for
4 redemption. Notice of any such rescission of redemption shall be given in the
5 same manner notice of redemption was originally given.

6 The actual receipt by the owner of any Series 2023B Bond of notice of
7 such rescission shall not be a condition precedent to rescission, and failure to
8 receive such notice or any defect in such notice so mailed shall not affect the
9 validity of the rescission.

10 Section 9. Series 2023B Bond Subaccount. There is established with the City
11 Treasurer a special subaccount in the General Obligation Bonds (Embarcadero Seawall
12 Earthquake Safety, 2018) Series 2023B Bond Account (the "Bond Account") created
13 pursuant to the Authorizing Resolution to be designated as the "General Obligation
14 Bonds, Series 2023B Bond Subaccount" (the "Series 2023B Bond Subaccount"), to be
15 held separate and apart from all other accounts of the City. All interest earned on
16 amounts on deposit in the Series 2023B Bond Subaccount shall be retained in the
17 Series 2023B Bond Subaccount.

18 On or prior to the date on which any payment of principal of or interest on the
19 Series 2023B Bonds is due, including any Series 2023B Bonds subject to mandatory
20 redemption on such date, the City Treasurer shall allocate to and deposit in the Series
21 2023B Bond Subaccount, from amounts held in the Bond Account, an amount which,
22 when added to any available moneys contained in the Series 2023B Bond Subaccount,
23 is sufficient to pay principal of and interest on the Series 2023B Bonds on such date.

24 On or prior to the date on which any Series 2023B Bonds are to be redeemed at
25 the option of the City pursuant to this Resolution, the City Treasurer may allocate to and

1 deposit in the Series 2023B Redemption Account, from amounts held in the Bond
2 Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when
3 added to any available moneys contained in the Series 2023B Redemption Account, is
4 sufficient to pay principal, interest and premium, if any, with respect to such Series
5 2023B Bonds on such date. The City Treasurer may make such other provision for the
6 payment of principal of and interest and any redemption premium on the Series 2023B
7 Bonds as is necessary or convenient to permit the optional redemption of the
8 Series 2023B Bonds.

9 Amounts in the Series 2023B Bond Subaccount may be invested in any
10 investment of the City in which moneys in the General Fund of the City are invested.
11 The City Treasurer may (a) commingle any of the moneys held in the Series 2023B
12 Bond Subaccount with other City moneys, or (b) deposit amounts credited to the Series
13 2023B Bond Subaccount into a separate fund or funds for investment purposes only;
14 provided, that all of the moneys held in the Series 2023B Bond Subaccount shall be
15 accounted for separately notwithstanding any such commingling or separate deposit by
16 the City Treasurer.

17 Section 10. Appointment of Depositories and Other Agents. The City Treasurer
18 is authorized and directed to appoint one or more depositories as he or she may deem
19 desirable and the procedures set forth in Section 5, Section 6, Section 7 and Section 8
20 relating to registration of ownership of the Series 2023B Bonds and payments and
21 redemption notices to owners of the Series 2023B Bonds may be modified to comply
22 with the policies and procedures of such depository. The City will not have any
23 responsibility or obligation to any purchaser of a beneficial ownership interest in any
24 Series 2023B Bonds or to any participants in such a depository with respect to (a) the
25 accuracy of any records maintained by such securities depository or any participant

1 therein; (b) any notice that is permitted or required to be given to the owners of Series
2 2023B Bonds under this Resolution; (c) the selection by such securities depository or
3 any participant therein of any person to receive payment in the event of a partial
4 redemption of Series 2023B Bonds; (d) the payment by such securities depository or
5 any participant therein of any amount with respect to the principal or redemption
6 premium, if any, or interest due with respect to Series 2023B Bonds; (e) any consent
7 given or other action taken by such securities depository as the owner of Series 2023B
8 Bonds; or (f) any other matter.

9 The Depository Trust Company (“DTC”) is appointed as depository for the Series
10 2023B Bonds. The Series 2023B Bonds shall be initially issued in book-entry form.
11 Upon initial issuance, the ownership of each Series 2023B Bond shall be registered in
12 the bond register in the name of Cede & Co., as nominee of DTC. So long as each
13 Series 2023B Bond is registered in book-entry form, each Series 2023B Bond shall be
14 registered in the name of Cede & Co. or in the name of such successor nominee as
15 may be designated from time to time by DTC or any successor as depository.

16 The City Treasurer is also authorized and directed to appoint one or more agents
17 as he or she may deem necessary or desirable, to the extent permitted by applicable
18 law and under the supervision of the City Treasurer, such agents may serve as paying
19 agent, fiscal agent, rebate calculation agent, escrow agent or registrar for the Series
20 2023B Bonds or may assist the City Treasurer in performing any or all of such functions
21 and such other duties as the City Treasurer shall determine. Such agents shall serve
22 under such terms and conditions as the City Treasurer shall determine. The City
23 Treasurer may remove or replace agents appointed pursuant to this paragraph at any
24 time.

1 Section 11. Defeasance Provisions. Payment of all or any portion of the Series
2 2023B Bonds may be provided for prior to such Series 2023B Bonds' respective stated
3 maturities by irrevocably depositing with the City Treasurer (or any commercial bank or
4 trust company designated by the City Treasurer to act as escrow agent with respect
5 thereto):

6 (a) an amount of cash equal to the principal amount of all of such
7 Series 2023B Bonds or a portion thereof, and all unpaid interest thereon to
8 maturity, except that in the case of Series 2023B Bonds which are to be
9 redeemed prior to such Series 2023B Bonds' respective stated maturities and in
10 respect of which notice of such redemption shall have been given as provided in
11 Section 8 hereof or an irrevocable election to give such notice shall have been
12 made by the City, the amount to be deposited shall be the principal amount
13 thereof, all unpaid interest thereon to the Redemption Date, and any premium
14 due on such Redemption Date; or

15 (b) Defeasance Securities (as herein defined) not subject to call,
16 except as provided below in the definition thereof, maturing and paying interest at
17 such times and in such amounts; together with interest earnings and cash, if
18 required, as will, without reinvestment, as certified by an independent certified
19 public accountant, be fully sufficient to pay the principal and all unpaid interest to
20 maturity, or to the Redemption Date, as the case may be, and any premium due
21 on the Series 2023B Bonds to be paid or redeemed, as such principal and
22 interest come due; provided, that, in the case of the Series 2023B Bonds which
23 are to be redeemed prior to maturity, notice of such redemption shall be given as
24 provided in Section 8 hereof or an irrevocable election to give such notice shall
25 have been made by the City; then, all obligations of the City with respect to such

1 outstanding Series 2023B Bonds shall cease and terminate, except only the tax
2 covenants under Section 23 and the obligation of the City to pay or cause to be
3 paid from the funds deposited pursuant to clause (a) or (b) of this Section 11, to
4 the owners of such Series 2023B Bonds all sums due with respect thereto; and
5 provided further, that the City shall have received an opinion of nationally
6 recognized bond counsel, that provision for the payment of such Series 2023B
7 Bonds has been made in accordance with this Section 11.

8 For purposes of this Section 11, "Defeasance Securities" shall mean any of the
9 following that at the time are legal investments under the laws of the State of California
10 for the moneys proposed to be invested therein:

11 (i) United States Obligations (as defined below); and

12 (ii) Pre-refunded fixed interest rate municipal obligations

13 meeting the following conditions: (A) the municipal obligations are not
14 subject to redemption prior to maturity, or the trustee or paying agent has
15 been given irrevocable instructions concerning their calling and
16 redemption and the issuer has covenanted not to redeem such obligations
17 other than as set forth in such instructions; (B) the municipal obligations
18 are secured by cash and/or United States Obligations; (C) the principal of
19 and interest on the United States Obligations (plus any cash in the escrow
20 fund or the redemption account) are sufficient to meet the liabilities of the
21 municipal obligations; (D) the United States Obligations serving as
22 security for the municipal obligations are held by an escrow agent or
23 trustee; (E) the United States Obligations are not available to satisfy any
24 other claims, including those against the trustee or escrow agent; and (F)
25 the municipal obligations are rated (without regard to any numerical

1 modifier, plus or minus sign or other modifier), at the time of original
2 deposit to the escrow fund, by any two Rating Agencies (as defined
3 below) not lower than the rating then maintained by such Rating Agencies
4 on such United States Obligations.

5 For purposes of this Section 11, "United States Obligations" means (i) direct and
6 general obligations of the United States of America, or obligations that are
7 unconditionally guaranteed as to principal and interest by the United States of America,
8 including, without limitation, the interest component of Resolution Funding Corporation
9 ("REFCORP") bonds that have been stripped by request to the Federal Reserve Bank
10 of New York in book-entry form or (ii) any security issued by an agency or
11 instrumentality of the United States of America that is selected by the Director of Public
12 Finance that results in the escrow fund being rated by any two Rating Agencies, at the
13 time of the initial deposit to the escrow fund and upon any substitution or subsequent
14 deposit to the escrow fund, not lower than the rating then maintained by the respective
15 Rating Agency on United States Obligations described in clause (i) above.

16 For purposes of this Section 11, "Rating Agencies" shall mean Moody's Investors
17 Service, Fitch Ratings, and S&P Global Ratings, or any other nationally-recognized
18 bond rating agency that is the successor to any of the foregoing rating agencies or that
19 is otherwise established after the date hereof.

20 Section 12. Sale of Series 2023B Bonds By Competitive or Negotiated Sale.

21 The Board of Supervisors authorizes the sale of the Series 2023B Bonds by solicitation
22 of competitive bids or by negotiated sale to one or more underwriters to be appointed in
23 accordance with City policies, if so determined by the Director of Public Finance.

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

2 (a) Official Notice of Sale. If the Series 2023B Bonds are sold through
3 a solicitation of competitive bids, then the form of proposed Official Notice of Sale
4 inviting bids for the Series 2023B Bonds (the “Official Notice of Sale”) submitted
5 to the Board of Supervisors is approved and adopted as the Official Notice of
6 Sale inviting bids for the Series 2023B Bonds, with such changes, additions and
7 modifications as may be made in accordance with Section 19. The Director of
8 Public Finance is authorized and directed to cause to be mailed or otherwise
9 circulated to prospective bidders for the Series 2023B Bonds copies of the
10 Official Notice of Sale, subject to such corrections, revisions or additions as may
11 be acceptable to the Director of Public Finance.

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

14 (c) Bond Award. As provided in the Official Notice of Sale, the City
15 may reject any and all bids received for any reason. The Controller or the
16 Director of Public Finance is authorized to award the Series 2023B Bonds to the
17 responsible bidder whose bid (i) is timely received and conforms to the Official
18 Notice of Sale, except to the extent informalities and irregularities are waived by
19 the City as permitted by the Official Notice of Sale; and (ii) represents the lowest
20 true interest cost to the City in accordance with the procedures described in the
21 Official Notice of Sale. The award, if made, shall be set forth in a certificate
22 signed by the Controller setting forth the terms of the Series 2023B Bonds and
23 the original purchasers (the “Bond Award”). The Director of Public Finance shall
24 provide a copy of the Bond Award, if such award is not signed by the Controller,

1 as soon as practicable to the Controller; provided, that failure to provide such
2 copy shall not affect the validity of the Bond Award.

3 Section 14. Publication of Notice of Intention to Sell Bonds. If the Series 2023B
4 Bonds are sold through a solicitation of competitive bids, then the form of proposed
5 Notice of Intention to Sell the Series 2023B Bonds (the “Notice of Intention to Sell
6 Bonds”) submitted to the Board of Supervisors is approved and adopted as the Notice
7 of Intention to Sell the Series 2023B Bonds, and the Director of Public Finance is
8 authorized and directed to cause the Notice of Intention to Sell Bonds, subject to such
9 corrections, revisions or additions as may be made in accordance with Section 19, to be
10 published once in *The Bond Buyer* or another financial publication generally circulated
11 throughout the State of California meeting the requirements of Section 53692 of the
12 Government Code at least five (5) days prior to the date fixed for receipt of bids for the
13 Series 2023B Bonds, or as otherwise set forth in Section 53692 of the Government
14 Code.

15 Section 15. Authorization of Negotiated Sale; Authorization to Select
16 Underwriters; Form of Purchase Contract Approval. The Director of Public Finance, in
17 consultation with the Controller, or the Controller, is hereby authorized to conduct the
18 sale of the Series 2023B Bonds by negotiated sale pursuant to one or more Purchase
19 Contracts (each, a “Purchase Contract”), each by and between the City and the
20 underwriter(s) named therein (the “Underwriters”), if the Controller determines that such
21 manner of sale is in the best financial interest of the City because the City will be able to
22 obtain market and structuring advice from the underwriters and flexibility as to timing of
23 sale and ability to premarket bonds, such determination to be conclusively evidenced by
24 the execution and delivery of such Purchase Contract as hereinafter approved. The
25 form of such Purchase Contract as presented to this Board of Supervisors, a copy of

1 which is on file with the Clerk of the Board of Supervisors, is hereby approved. The
2 Controller or the Director of Public Finance is hereby authorized to execute such
3 Purchase Contract with such changes, additions and modifications as the Controller or
4 the Director of Public Finance may make or approve in accordance with Section 19
5 hereof; provided however, that the Underwriters' discount under any such Purchase
6 Contract shall not exceed 1.0% of the principal amount of the Series 2023B Bonds. In
7 order to facilitate the sale of the Series 2023B Bonds by negotiated sale, the Controller
8 or the Director of Public Finance is hereby authorized and directed to appoint one or
9 more financial institutions to act as underwriter for the Series 2023B Bonds.

10 Section 16. Disposition of Proceeds of Sale. The proceeds of sale of the Series
11 2023B Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if
12 any, shall be deposited into the Series 2023B Bond Subaccount; (b) premium, if any,
13 shall be deposited into the Series 2023B Bond Subaccount in such amount not to
14 exceed three years of interest on the Series 2023B Bonds; and (c) remaining proceeds
15 of sale shall be deposited into the Project Account established under Resolution No.
16 323-19.

17 Section 17. Preliminary Official Statement and Official Statement. The form of
18 proposed Preliminary Official Statement describing the Series 2023B Bonds (the
19 "Preliminary Official Statement") submitted to the Board of Supervisors is approved and
20 adopted as the Preliminary Official Statement describing the Series 2023B Bonds, with
21 such additions, corrections and revisions as may be determined to be necessary or
22 desirable made in accordance with Section 19. The Controller is authorized to cause
23 the distribution of a Preliminary Official Statement deemed final for purposes of
24 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities
25 Exchange Act of 1934, as amended (the "Rule"), and to sign a certificate to that effect.

1 The Director of Public Finance is authorized and directed to cause to be printed and
2 mailed or electronically distributed to prospective bidders for the Series 2023B Bonds
3 the Preliminary Official Statement in substantially the form of the Preliminary Official
4 Statement approved and adopted by this Resolution, as completed, supplemented,
5 corrected or revised. The Controller or the Director of Public Finance is authorized and
6 directed to approve, execute, and deliver the final Official Statement with respect to the
7 Series 2023B Bonds, which final Official Statement shall be in the form of the
8 Preliminary Official Statement, with such additions, corrections and revisions as may be
9 determined to be necessary or desirable made in accordance with Section 19 and as
10 are permitted under the Rule. The Director of Public Finance is authorized and directed
11 to cause to be printed and mailed or electronically distributed the final Official Statement
12 to all actual initial purchasers of the Series 2023B Bonds.

13 Section 18. Continuing Disclosure Certificate. The form of Continuing
14 Disclosure Certificate (the "Continuing Disclosure Certificate"), to be signed by the City
15 to permit the original purchasers of the Series 2023B Bonds to comply with the Rule,
16 submitted to the Board of Supervisors is approved and adopted as the Continuing
17 Disclosure Certificate, with such additions, corrections and revisions as may be
18 determined to be necessary or desirable made in accordance with Section 19. The
19 Controller is authorized and directed to execute the Continuing Disclosure Certificate on
20 behalf of the City and deliver the Continuing Disclosure Certificate to the original
21 purchasers of the Series 2023B Bonds.

22 Section 19. Modification to Documents. Any City official authorized by this
23 Resolution to execute any document is further authorized, in consultation with the City
24 Attorney and co-bond counsel, to approve and make such changes, additions,
25 amendments or modifications to the document or documents such official is authorized

1 to execute as may be necessary or advisable (provided, that such changes, additions,
2 amendments or modifications shall not authorize an aggregate principal amount of
3 Series 2023B Bonds in excess of \$42,000,000 or conflict with the provisions of
4 Section 4). The approval of any change, addition, amendment or modification to any of
5 the aforementioned documents shall be evidenced conclusively by the execution and
6 delivery of the document in question.

7 Section 20. Ratification. All actions previously taken by officials, employees and
8 agents of the City with respect to the sale and issuance of the Series 2023B Bonds,
9 consistent with any documents presented and this Resolution, are approved, confirmed
10 and ratified.

11 Section 21. Relationship to Authorizing Resolution. In the event of any conflict
12 between this Resolution and the Authorizing Resolution, the terms of this Resolution
13 shall control. Without limiting the foregoing and notwithstanding the provisions of the
14 Authorizing Resolution, the City is not obligated to transfer money from the General
15 Fund of the City to the Bond Account to pay the principal of or interest on the Series
16 2023B Bonds.

17 Section 22. Accountability Reports. The Series 2023B Bonds are subject to
18 accountability requirements under the Administrative Code and the Bond Ordinances.
19 The deadline for submission of the Accountability report(s) under Administrative Code
20 Sections 2.71(a) and 2.71(b) are hereby waived with respect to the Series 2023B
21 Bonds. Accountability report(s) with respect to the Series 2023B Bonds shall be
22 submitted in all other respects in the manner required by the Administrative Code and
23 the Bond Ordinances.

24 Section 23. Covenants to Maintain Tax-Exempt Status. The following covenants
25 shall be applicable to any Series 2023B Bonds (including any subseries) issued as

1 bonds the interest on which is intended to be excludable from gross income for federal
2 or state income tax purposes:

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

5 “*Closing Date*” means the date on which the Series 2023B Bonds are first
6 authenticated and delivered to the initial purchasers against payment therefor.

7 “*Code*” means the Internal Revenue Code of 1986, as amended by all
8 legislation, if any, effective on or before the Closing Date.

9 “*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the
10 Regulations.

11 “*Final Computation Date*” has the meaning set forth in Section 1.148-
12 3(e)(2) of the Regulations.

13 “*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of
14 the Regulations, and any replacement proceeds as defined in Section 1.148-1(c)
15 of the Regulations, of the Series 2023B Bonds.

16 “*Investment*” has the meaning set forth in Section 1.148-1(b) of the
17 Regulations.

18 “*Nonpurpose Investment*” means any investment property, as defined in
19 Section 148(b) of the Code, in which Gross Proceeds of the Series 2023B
20 Bonds are invested and which is not acquired to carry out the governmental
21 purposes of the Series 2023B 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
25 Regulations issued pursuant to Sections 103 and 141 through 150 of the Code,

1 and 103 of the Internal Revenue Code of 1954, which are applicable to the
2 Series 2023B Bonds. Any reference to any specific Regulation shall also mean,
3 as appropriate, any proposed, temporary or final Income Tax Regulation
4 designed to supplement, amend or replace the specific Regulation referenced.

5 “Yield” of:

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

8 (ii) the Series 2023B Bonds has the meaning set forth in
9 Section 1.148-4 of the Regulations.

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

22 (c) No Private Use or Private Payments. Except as permitted by
23 Section 141 of the Code and the Regulations and rulings thereunder, the City
24 shall at all times prior to the final payment on the Series 2023B Bonds:

1 (i) exclusively own, operate and possess all property, the
2 acquisition, construction or improvement of which is to be financed or
3 refinanced directly or indirectly with Gross Proceeds of the Series 2023B
4 Bonds, and not use or permit the use of such Gross Proceeds (including
5 all contractual arrangements with terms different than those applicable to
6 the general public) or any property acquired, constructed or improved with
7 such Gross Proceeds in any activity carried on by any person or entity
8 (including the United States or any agency, department and
9 instrumentality thereof) other than a state or local government, unless
10 such use is solely as a member of the general public; and

11 (ii) not directly or indirectly impose or accept any charge or
12 other payment by any person or entity who is treated as using Gross
13 Proceeds of the Series 2023B Bonds or any property the acquisition,
14 construction or improvement of which is to be financed or refinanced
15 directly or indirectly with such Gross Proceeds, other than taxes of general
16 application within the City or interest earned on investments acquired with
17 such Gross Proceeds pending application for their intended purposes.

18 (d) No Private Loan. Except to the extent permitted by Section 141 of
19 the Code and the Regulations and rulings thereunder, the City shall not use
20 Gross Proceeds of the Series 2023B Bonds to make or finance loans to any
21 person or entity other than a state or local government. For purposes of the
22 foregoing covenant, such Gross Proceeds are considered to be "loaned" to a
23 person or entity if: (i) property acquired, constructed or improved with such Gross
24 Proceeds is sold or leased to such person or entity in a transaction which creates
25 a debt for federal income tax purposes; (ii) capacity in or service from such

1 property is committed to such person or entity under a take-or-pay, output or
2 similar contract or arrangement; or (iii) indirect benefits, or burdens and benefits
3 of ownership, of such Gross Proceeds or any property acquired, constructed or
4 improved with such Gross Proceeds are otherwise transferred in a transaction
5 which is the economic equivalent of a loan.

6 (e) Not to Invest at Higher Yield. Except to the extent permitted by
7 Section 148 of the Code and the Regulations and rulings thereunder, the City
8 shall not at any time prior to the final stated maturity of the Series 2023B Bonds
9 directly or indirectly invest Gross Proceeds in any Investment, if as a result of
10 such investment the Yield of any Investment acquired with Gross Proceeds,
11 whether then held or previously disposed of, exceeds the Yield of the Series
12 2023B Bonds.

13 (f) Not Federally Guaranteed. Except to the extent permitted by
14 Section 149(b) of the Code and the Regulations and rulings thereunder, the City
15 shall not take or omit to take any action which would cause the Series 2023B
16 Bonds to be federally guaranteed within the meaning of Section 149(b) of the
17 Code and the Regulations and rulings thereunder.

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

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

1 (i) The City shall account for all Gross Proceeds (including all
2 receipts, expenditures and investments thereof) on its books of account
3 separately and apart from all other funds (and receipts, expenditures and
4 investments thereof) and shall retain all records of accounting for at least
5 six years after the day on which the last outstanding Series 2023B Bond is
6 discharged. However, to the extent permitted by law, the City may
7 commingle Gross Proceeds of the Series 2023B Bonds with other money
8 of the City; provided that the City separately accounts for each receipt and
9 expenditure of Gross Proceeds and the obligations acquired therewith.

10 (ii) Not less frequently than each Computation Date, the City
11 shall calculate the Rebate Amount in accordance with rules set forth in
12 Section 148(f) of the Code and the Regulations and rulings thereunder.
13 The City shall maintain such calculations with its official transcript of
14 proceedings relating to the issuance of the Series 2023B Bonds until six
15 years after the Final Computation Date.

16 (iii) As additional consideration for the purchase of the Series
17 2023B Bonds by the initial purchasers and the loan of the money
18 represented thereby and in order to induce such purchase by measures
19 designed to ensure the excludability of the interest thereon from gross
20 income for federal income tax purposes, the City shall pay to the United
21 States the amount that when added to the future value of previous rebate
22 payments made for the Series 2023B Bonds equals (i) in the case of a
23 Final Computation Date, 100% of the Rebate Amount on such date; and
24 (ii) in the case of any other Computation Date, 90% of the Rebate Amount
25 on such date. In all cases, the rebate payments shall be made at the

1 times, in the installments, to the place and in the manner as is or may be
2 required by Section 148(f) of the Code and the Regulations and rulings
3 thereunder, and shall be accompanied by Form 8038-T or such other
4 forms and information as is or may be required by Section 148(f) of the
5 Code and the Regulations and rulings thereunder.

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

14 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by
15 Section 148 of the Code and the Regulations and rulings thereunder, the City
16 shall not, at any time prior to the final payment on the Series 2023B Bonds,
17 enter into any transaction that reduces the amount required to be paid to the
18 United States pursuant to Section 25(h) above because such transaction results
19 in a smaller profit or a larger loss than would have resulted if the transaction had
20 been at arm's length and had the Yield of the Series 2023B Bonds not been
21 relevant to either party.

22 (j) Elections. The City directs and authorizes the Director of Public
23 Finance and the Controller, either or any combination of them, to make elections
24 permitted or required pursuant to the provisions of the Code or the Regulations,
25 as they deem necessary or appropriate in connection with the Series 2023B

1 Bonds, in the Certificate as to Tax Exemption or similar or other appropriate
2 certificate, form or document.

3 Section 24. Reimbursement. The City declares its official intent to reimburse
4 prior expenditures of the City incurred prior to the issuance and sale of the Series
5 2023B Bonds in connection with the Project or portions thereof to be financed by the
6 Series 2023B Bonds. The Board of Supervisors declares the City's intent to reimburse
7 the City with the proceeds of the Series 2023B Bonds for the expenditures with respect
8 to the Project (the "Expenditures" and each an "Expenditure") made on and after that
9 date that is no more than 60 days prior to adoption of this Resolution. The City
10 reasonably expects on the date of adoption of this Resolution that it will reimburse the
11 Expenditures with the proceeds of the Series 2023B Bonds.

12 Each Expenditure was and will be either (a) of a type properly chargeable to a
13 capital account under general federal income tax principles (determined in each case as
14 of the date of the Expenditure), (b) a cost of issuance with respect to the Series 2023B
15 Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or
16 (d) a grant to a party that is not related to or an agent of the City so long as such grant
17 does not impose any obligation or condition (directly or indirectly) to repay any amount
18 to or for the benefit of the City. The maximum aggregate principal amount of the Series
19 2023B Bonds expected to be issued for the Project is \$42,000,000. The City shall make
20 a reimbursement allocation, which is a written allocation by the City that evidences the
21 City's use of proceeds of the Series 2023B Bonds to reimburse an Expenditure, no
22 later than 18 months after the later of the date on which the Expenditure is paid or the
23 Project is placed in service or abandoned, but in no event more than three years after
24 the date on which the Expenditure is paid. The City recognizes that exceptions are
25 available for certain "preliminary expenditures," costs of issuance, certain *de minimis*

1 amounts, expenditures by "small issuers" (based on the year of issuance and not the
2 year of expenditure) and expenditures for construction projects of at least 5 years.

3 Section 25. General Authority. The Clerk of the Board of Supervisors, the
4 Mayor, the City Treasurer, the Director of Public Finance, the City Attorney and the
5 Controller are each authorized and directed in the name and on behalf of the City to
6 take any and all steps and to issue, deliver or enter into any and all certificates,
7 requisitions, agreements, notices, consents, and other documents as may be necessary
8 to give effect to the provisions of this Resolution, including but not limited to a private
9 placement agreement and investor letter, tax compliance certificates and letters of
10 representations to any depository or depositories, which they or any of them might
11 deem necessary or appropriate in order to consummate the lawful issuance, sale and
12 delivery of the Series 2023B Bonds. Any such actions are solely intended to further the
13 purposes of this Resolution, and are subject in all respects to the terms of this
14 Resolution. No such actions shall increase the risk to the City or require the City to
15 spend any resources not otherwise granted herein. Final versions of any such
16 documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the
17 official file within 30 days (or as soon thereafter as final documents are available) of
18 execution by all parties.

19 APPROVED AS TO FORM:

20 DAVID CHIU, City Attorney

21
22 By _____

23 KENNETH D. ROUX

24 Deputy City Attorney

EXHIBIT A

FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE OF THIS BOND FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

<u>Number</u>		<u>Principal Amount</u>
R-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO GENERAL OBLIGATION BONDS (EMBARCADERO SEAWALL EARTHQUAKE SAFETY, 2018) SERIES 2023B	\$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
_____	_____	_____	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____

The City and County of San Francisco, State of California (the “City”), acknowledges itself indebted to and promises to pay to the Registered Owner specified above or registered assigns, on the Maturity Date specified above, the Principal Amount of this Bond specified above in lawful money of the United States of America, and to pay interest on the Principal Amount in like lawful money from the Interest Payment Date (as defined below) next

1 preceding the date of authentication of this Bond (unless this Bond is authenticated as of
2 the day during the period from the last day of the month immediately preceding any
3 Interest Payment Date (the "Record Date") to such Interest Payment Date, inclusive, in
4 which event it shall bear interest from such Interest Payment Date, or unless this Bond is
5 authenticated on or before June 15, 2023, in which event it shall bear interest from its
6 Dated Date (specified above) until payment of such Principal Amount, at the Interest Rate
7 per year specified above calculated on the basis of a 360-day year comprised of twelve
8 30-day months, payable on June 15, 2023 and semiannually thereafter on June 15 and
9 December 15 in each year (each, an "Interest Payment Date"); *provided*, that if any
10 Interest Payment Date occurs on a day that banks in California or New York are closed
11 for business or the New York Stock Exchange is closed for business, then such payment
12 shall be made on the next succeeding day that banks in both California and New York
13 are open for business and the New York Stock Exchange is open for business (a
14 "Business Day"). The Principal Amount of this Bond is payable to the Registered Owner
15 of this Bond upon the surrender of this Bond at the office of the Treasurer of the City (the
16 "City Treasurer") in San Francisco, California. The interest on this Bond is payable to the
17 person whose name appears on the Bond registration books of the City Treasurer as the
18 Registered Owner of this Bond as of the close of business on the Record Date
19 immediately preceding an Interest Payment Date, whether or not such day is a Business
20 Day, such interest to be paid by check mailed on the Interest Payment Date to such
21 Registered Owner at the owner's address as it appears on such registration books;
22 *provided*, that the Registered Owner of Bonds in an aggregate principal amount of at least
23 \$1,000,000 may submit a written request to the City Treasurer on or before the Record
24 Date preceding any Interest Payment Date for payment of interest by wire transfer to a
25 commercial bank located in the United States of America.

26 This Bond is one of a duly authorized issue of City and County of San Francisco
27 General Obligation Bonds (Embarcadero Seawall Earthquake Safety, 2018) Series
28 2023B (the "Bonds") of like tenor (except for such variations, if any, as may be required
29 to designate varying numbers, denominations, interest rates and maturities), in the
30 aggregate principal amount of \$ _____, which is part of a bond authorization in the
31 aggregate original principal amount of \$425,000,000 authorized by the affirmative votes

1 of more than two-thirds of the voters voting at a special election duly and legally called,
2 held and conducted in the City on November 6, 2018 and is issued and sold by the City
3 pursuant to and in strict conformity with the provisions of the Constitution and laws of the
4 State of California, the Charter of the City and a Resolution of Necessity adopted by the
5 Board of Supervisors of the City (the "Board of Supervisors") on June 12, 2018, and duly
6 approved by the Mayor of the City on June 20, 2018, and Resolution No. _____, adopted
7 by the Board of Supervisors on _____, 20__ and duly approved by the Mayor of the
8 City on _____, 20__ (together with the related Certificate Awarding the Bonds and
9 Fixing Definitive Interest Rates for the Bonds, dated _____, 20__, the "Resolutions").

10 The Bonds are issuable as fully registered bonds without coupons in the
11 denominations of \$5,000 or any integral multiple of such amount, *provided* that no Bond
12 shall have principal maturing on more than one principal maturity date. Subject to the
13 limitations and conditions and upon payment of the charges, if any, as provided in the
14 Resolutions, the Bonds may be exchanged for a like aggregate principal amount of Bonds
15 of other authorized denominations of the same interest rate and maturity.

16 This Bond is transferable by its Registered Owner, in person or by its attorney duly
17 authorized in writing, at the office of the City Treasurer, but only in the manner, subject to
18 the limitations and upon payment of the charges provided in the Resolutions, and upon
19 surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of
20 authorized denomination or denominations for the same interest rate and same aggregate
21 principal amount will be issued to the transferee in exchange for this Bond.

22 No transfer or exchange of the Bonds shall be required to be made by the City
23 Treasurer during the period from the Record Date next preceding each Interest Payment
24 Date to such Interest Payment Date or after a notice of redemption shall have been mailed
25 with respect to such Bonds.

26 Bonds maturing on and before June 15, 20__, will not be subject to optional
27 redemption prior to their respective maturity dates. The Bonds maturing on or after June
28 15, 20__ will be subject to optional redemption prior to their respective stated maturity
29 dates, at the option of the City, from any source of available funds, as a whole or in part
30 on any date (with the maturities to be redeemed to be determined by the City and by lot
31 within a maturity), on or after June 15, 20__, at the redemption price equal to the principal

1 amount of the Bonds redeemed, together with accrued interest to the date fixed for
2 redemption, without premium. If less than all of the outstanding Bonds are to be
3 redeemed, they may be redeemed in any order of maturity as determined by the Director
4 of Finance. If less than all of the outstanding Bonds of a maturity are to be redeemed,
5 the Bonds or portions of Bonds of such maturity to be redeemed shall be selected Director
6 of Public Finance, in authorized denominations of \$5,000 or integral multiples of that
7 amount, from among Bonds of that maturity not previously called for redemption, by lot,
8 in any manner which the Director of Public Finance deems fair.

9 Bonds maturing on June 15, 20__, are subject to mandatory sinking fund
10 redemption on June 15 of each of the years 20__ through 20__, inclusive, and at maturity
11 in the respective amount provided in the [Official Notice of Sale/the Purchase Contract]
12 for the Bonds.

13 Bonds maturing on June 15, 20__, are subject to mandatory sinking fund
14 redemption on June 15 of each of the years 20__ through 20__, inclusive, and at maturity
15 in the respective amount provided in the [Official Notice of Sale/the Purchase Contract]
16 for the Bonds.

17 Notice of the redemption of Bonds which by their terms shall have become subject
18 to redemption shall be given or caused to be given to the Registered Owner of each Bond
19 or portion of a Bond called for redemption not less than 20 or more than 60 days before
20 any date established for redemption of Bonds, by the City Treasurer on behalf of the City,
21 first class mail, postage prepaid, sent to the Registered Owner's last address, if any,
22 appearing on the registration books kept by the City Treasurer. Official notices of
23 redemption will contain the information specified in the Resolutions.

24 Official notice of redemption having been given substantially as aforesaid, the
25 Bonds or portions of Bonds so to be redeemed shall, on the date fixed for redemption,
26 become due and payable at the redemption price therein specified, and from and after
27 such date (unless such redemption and notice of it shall have been rescinded or unless
28 the City shall default in the payment of the redemption price), such Bonds or portions of
29 Bonds shall cease to bear interest. Neither the failure to mail such redemption notice,
30 nor any defect in any notice so mailed, to any particular Registered Owner, shall affect
31 the sufficiency of such notice with respect to the Bonds.

1 Notice of redemption, or notice of rescission of an optional redemption, having
2 been properly given, failure of a Registered Owner to receive such notice shall not be
3 deemed to invalidate, limit or delay the effect of the notice or redemption action described
4 in the notice.

5 Any notice of optional redemption may provide that such redemption is conditional
6 upon occurrence of a specified event, as provided in the Resolutions. In the event that
7 such conditional notice of optional redemption has been given, and on the date fixed for
8 redemption such condition has not been satisfied, the Bonds for which notice of
9 conditional optional redemption was given shall not be redeemed and shall remain
10 Outstanding for all purposes of the Resolutions and the redemption not occurring shall
11 not constitute an event of default under the Resolutions.

12 The City may rescind any optional redemption and notice of it for any reason on
13 any date prior to any Redemption Date by causing written notice of the rescission to be
14 given to the owners of all Bonds so called for redemption. Notice of any such rescission
15 of redemption shall be given in the same manner notice of redemption was originally
16 given.

17 The actual receipt by the owner of any Bond of notice of such rescission shall not
18 be a condition precedent to rescission, and failure to receive such notice or any defect in
19 such notice so mailed shall not affect the validity of the rescission.

20 The City and the City Treasurer may treat the Registered Owner of this Bond as
21 the absolute owner of this Bond for all purposes, and the City and the City Treasurer shall
22 not be affected by any notice to the contrary.

23 The City Treasurer may appoint agents to serve as bond registrar or paying agent,
24 as provided in the Resolutions.

25 The Board of Supervisors certifies, recites and declares that the total amount of
26 indebtedness of the City, including the amount of this Bond, is within the limit provided by
27 law, that all acts, conditions and things required by law to be done or performed precedent
28 to and in the issuance of this Bond have been done and performed in strict conformity
29 with the laws authorizing the issuance of this Bond, that this Bond is in the form prescribed
30 by order of the Board of Supervisors duly made and entered on its minutes, and the
31 money for the payment of principal of this Bond, and the payment of interest thereon,

1 shall be raised by taxation upon the taxable property of the City as provided in the
2 Resolutions.

3 This Bond shall not be entitled to any benefit under the Resolutions, or become
4 valid or obligatory for any purpose, until the certificate of authentication and registration
5 on this Bond shall have been signed by the City Treasurer.

6

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolutions, which has been authenticated on the date set forth below.

Date of Authentication: _____

Treasurer of the
City and County of San Francisco

1 **ASSIGNMENT**

2 FOR VALUE RECEIVED the undersigned do(es) hereby sell, assign and transfer
3 unto

4 _____
5 _____
6 **(Please print or typewrite Name, Address, and Tax Identification or Social
7 Security Number of Assignee/Transferee)**

8 the within-mentioned registered bond and all rights thereunder and hereby irrevocably
9 constitute(s) and appoint(s) _____ attorney
10 to transfer the same on the books of the paying agent with full power of substitution in
11 the premises.

12 Dated:

13 _____
14 NOTICE: The signature to this
15 assignment must correspond with the
16 name as it appears upon the face of the
17 within bond in every particular, without
18 alteration or enlargement or any
19 change whatsoever.

20 Signature Guaranteed:

21 _____
22 Signature(s) must be guaranteed by a national
23 bank or trust company or by a brokerage firm
24 having a membership in one of the major stock
25 exchanges and who is a member of a
26 Medallion Signature Program.
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