

FILED
OF THE CITY CLERK
OAKLAND

BY:


City Attorney
Ravi S. Patel

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RESOLUTION NO. **877 05** = C.M.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF OAKLAND PROVIDING FOR THE BORROWING OF FUNDS FOR FISCAL YEAR 2019-2020 AND THE ISSUANCE AND SALE OF THE CITY OF OAKLAND 2019-2020 TAX AND REVENUE ANTICIPATION NOTE IN AN AMOUNT NOT TO EXCEED \$120,000,000, AND APPROVING THE EXECUTION OF A NOTE PURCHASE AGREEMENT RELATING TO SUCH NOTE AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 53850 et seq. of the Government Code of the State of California (the "Law") contained in Article 7.6 of Chapter 4 of Part 1 of Division 2 of Title 5 thereof, entitled "Temporary Borrowing," on or after the first day of any fiscal year (being July 1), a city may borrow money by issuing notes for any purpose for which a city is authorized to expend moneys, including but not limited to current expenses, capital expenditures, and the discharge of any obligation or indebtedness of a city; and

WHEREAS, pursuant to Section 53853 of the Government Code, the City Council (the "Council") of the City of Oakland (the "City") has found and determined that the sum of up to \$120,000,000 is needed for the requirements of the City to satisfy obligations payable from the General Fund of the City, and that it is necessary that an amount up to said sum be borrowed for such purpose at this time by the issuance of the Note (as defined below) in anticipation of the receipt of taxes, revenues and other moneys to be received by the City for the General Fund of the City during or allocable to Fiscal Year 2019-2020; and

WHEREAS, it appears, and the Council hereby finds and determines, that the principal amount of the Note, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the City anticipated to be received for or accrued to the General Fund during Fiscal Year 2019-2020 that will be available for the payment of the interest on and the principal of the Note; and

WHEREAS, no money has heretofore been borrowed by the City in anticipation of the receipt of, or payable or secured by, any taxes, income, revenue, cash receipts or other moneys of the City to be received for or accrued to the General Fund during Fiscal Year 2019-2020; and

WHEREAS, the City wishes to authorize the issuance of the Note in a single series, to be purchased by Bank of America, N.A. (the "Bank") from the City in accordance with that certain Note Purchase Agreement between the City and the Bank, as originally

executed and as it may be amended from time to time in accordance with its terms (the "Note Purchase Agreement"); and

WHEREAS, pursuant to the Law, certain taxes, income, revenue, cash receipts and other moneys of the City which will be received for or accrued to the General Fund during Fiscal Year 2019-2020 can and will be pledged for the payment of the interest on and the principal of the Note.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAKLAND AS FOLLOWS:

Section 1. Recitals. All of the recitals hereinabove set forth are true and correct, and the Council so finds and determines, and the Council further finds and determines that all acts, conditions and things required by law to exist, to have occurred and to have been performed precedent to the issuance and sale of the Note do exist, have occurred and have been performed in regular and due time, form and manner as required by law, and that the City is empowered under the Law to issue and sell the Note as provided herein.

Section 2. Defined Terms. Unless otherwise defined herein, capitalized terms used in this Resolution shall have the meanings given such terms in the Note Purchase Agreement.

Section 3. Issuance of Note.

(a) Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys of the City to be received for or accrued to the General Fund during Fiscal Year 2019-2020, the City hereby determines at this time to and shall borrow the aggregate principal sum of not to exceed \$120,000,000 by the issuance of a temporary note under the Law, designated the "City of Oakland 2019-2020 Tax and Revenue Anticipation Note" (the "Note"). The Note shall be issued in a single series and shall be dated the date of issuance thereof. The Note shall bear interest on the principal amount outstanding from time to time, mature and be payable as provided in the Note Purchase Agreement; provided that the maturity date shall not exceed 13 months from the date of issuance of the Note, the Interest Rate (as defined in the Note Purchase Agreement) shall not exceed 3.50% per annum, the Maximum Rate shall not exceed 10% per annum and the Default Rate shall be subject to the Maximum Rate in the manner set forth in Section 2.03(d) of the Note Purchase Agreement. Interest on the Note will not be excluded from gross income for federal income tax purposes. The principal amount of the Note shall be noted by the Bank on the form of the Note in accordance with the Note Purchase Agreement. The Note is subject to prepayment by the City in full or in part at any time prior to the maturity date thereof, subject to the following:

- (i) Each prepayment shall occur on a Business Day.

(ii) The City shall provide the Bank with written notice in the form attached as Exhibit A to the Note Purchase Agreement at least three (3) Business Days prior to such prepayment date.

(iii) With respect to each prepayment of the Note in part, the amount prepaid shall be an amount not less than \$5,000,000 and integral multiples of \$1,000,000 in excess thereof.

(iv) Each prepayment will be applied to the most remote payment of principal due under the Note. Each prepayment, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee calculated by the Bank.

(v) The prepayment fee will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

(1) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the percentage specified in Section 2.05(e)(i) of the Note Purchase Agreement, less

(2) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made;

provided, however, that in no event shall the prepayment fee with respect to any prepayment of the Note exceed 3.0% of the principal amount of the Note.

(b) The Note shall be initially issued and registered in the name of "Bank of America, N.A.," as the registered owner thereof (together with any of the Bank's successors or assigns as permitted in the Note Purchase Agreement, the "Owner") and shall be evidenced by a single note.

(c) The Note shall be initially issued and registered as provided in Section 3(b) hereof. The Bank shall have the right to sell or transfer the Note or to otherwise directly or indirectly transfer or assign any interest in the Note only to the extent permitted in the Note Purchase Agreement.

(d) The City shall be entitled to treat the Bank as the Owner of the Note indicated therein as the absolute owner of such Note for all purposes under this Resolution and for purposes of payment of principal of and interest on such Note, notwithstanding any notice to the contrary received by the City.

(e) The Authorized Representatives (as defined in the Note Purchase Agreement), each acting alone, are hereby authorized and directed to provide any notices or other directions of the City to the Bank pursuant to the Note Purchase Agreement.

(f) The Director of Finance will maintain or cause to be maintained, at her office in Oakland, California, sufficient books for the registration of the Note.

Section 4. Form of Note. The Note shall be issued without coupons and shall be substantially in the form thereof set forth in Exhibit A attached hereto and incorporated herein, the blanks in said form to be filled in with appropriate words and figures after the sale of the Note and before the execution, authentication and delivery of the Note.

Section 5. Execution of Note. The City Administrator, the Director of Finance, or a designee of any such official, are each hereby authorized to sign the Note by manual or facsimile signature, and the City Clerk is hereby authorized to countersign the same by manual or facsimile signature and to affix the seal of the Council thereto by facsimile impression thereof. Said signing, countersigning and sealing shall constitute a valid and sufficient execution of the Note. Said officials are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate, and to deliver the Note to the Bank.

Section 6. Use of Proceeds of Note. The Director of Finance shall, immediately upon receiving the proceeds of the sale of the Note, deposit in the General Fund all amounts representing the proceeds of the Note received from such sale, and such proceeds shall be used for the purpose specified in the Note Purchase Agreement, for payments of costs of issuance of the Note or otherwise permitted by applicable law.

Section 7. Security for Note: Security Interest.

(a) The City hereby pledges all Property Tax Revenues and the Additional Revenues (if any) (collectively, the "Pledged Property"), as such terms are defined in the Note Purchase Agreement, to the payment of the principal of and interest on the Note, and the Note shall be an obligation of the City payable from the Pledged Property. This pledge is valid and binding in accordance with the terms of this Resolution and the Pledged Property shall immediately be subject to the pledge, and the pledge shall constitute a first lien and security interest which shall immediately attach to the Pledged Property and be effective, binding, and enforceable against the City, its successors, purchasers of the Pledged Property, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, this Resolution irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Nothing in this Resolution shall prohibit the City from spending the Pledged Property for any lawful purpose of the City.

(b) Nothing in this Resolution shall prohibit the City from issuing additional tax and revenue anticipation notes payable from, and with a lien on, the Pledged Property on a basis subordinate to the Note ("Subordinated Notes"); provided that with respect to any such Subordinated Note, the City shall not, prior to the termination of the Note Purchase

Agreement pursuant to the terms therein and payment in full of the Note, (i) make any scheduled payments of principal thereof or interest thereon, (ii) make any prepayment thereof, or (iii) issue any such Subordinated Note that has a maturity date earlier than the stated maturity date of the Note.

Section 8. Sale of Note. The Note Purchase Agreement providing for the sale of the Note proposed to be entered into between the Bank and the City, in substantially the form thereof set forth in Exhibit B attached hereto and incorporated herein, is hereby approved, and the Director of Finance or her designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Bank the Note Purchase Agreement in substantially said form (which Note Purchase Agreement shall contain the maturity date and the interest rate and the prepayment provisions for the Note), with such changes as such officer executing the Note Purchase Agreement may require or approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Further Actions. The City Administrator, Director of Finance, and the City Clerk are each hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, including but not limited to an agreement relating to the breakage fee related to the Note, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with this Resolution, and all actions heretofore taken by such officers with respect to the sale and issuance of the Note are hereby approved, confirmed and ratified. Any authority delegated under this Resolution to a specified official (including officials acting in these positions on an interim basis) of the City may also be exercised by the specified official's authorized designee.

Section 10. Resolution to Constitute Contract. It is hereby covenanted and warranted by the City that all representations and recitals contained in this Resolution are true and correct, and that the City, and its appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them for carrying out the provisions of this Resolution. It is hereby further covenanted and warranted by the City that the provisions of the Note and of this Resolution shall constitute a contract between the City and the Owner, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction; provided, that notwithstanding any other provision hereof to the contrary, upon the City's failure to observe, or refusal to comply with, the covenants contained herein, no one other than the Owner or former Owner of the Note shall be entitled to exercise any right or remedy under this Resolution on the basis of the City's failure to observe, or refusal to comply with, such covenants.

Section 11. Appointment of Bond Counsel and Municipal Advisor. The City Council hereby acknowledges the appointment by the City Attorney of Jones Hall, A

Professional Law Corporation, as bond counsel ("Bond Counsel"). The selection by the Director of Finance of Urban Futures, Inc., as municipal advisor ("Municipal Advisor") with respect to the Note, is hereby affirmed

Section 12. Amendments. This Resolution may be amended by a supplemental resolution adopted by the City Council with the written consent of the Owner of one hundred percent of the principal amount of the Note outstanding.

Section 13. Severability. If any one or more of the provisions of this Resolution shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the decision, finding, order or decree of which becomes final, none of the remaining provisions of this Resolution shall be affected thereby, and such provisions shall be valid and enforceable to the fullest extent permitted by applicable law.

Section 14. Effective Date. This Resolution shall take effect immediately if approved by the votes of six councilmembers; otherwise, it will be effective seven days after the date of adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

MAY 21 2019

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN — 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California

EXHIBIT A

FORM OF NOTE

R-1

\$ _____

ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Bank of America, N.A., has an interest herein. This Note is non-negotiable and Bank of America, N.A. has the right to sell or transfer the Note or to otherwise directly or indirectly transfer or assign any interest in the Note only to the extent permitted by the Note Purchase Agreement.

**CITY OF OAKLAND, CALIFORNIA
2019-2020 Tax and Revenue Anticipation Note**

INTEREST RATE DATED DATE MATURITY DATE

FOR VALUE RECEIVED, the City of Oakland, California, acknowledges itself indebted to and promises to pay to Bank of America, N.A. (together with any of its successors and assigns as permitted under the Note Purchase Agreement (defined below), the "Bank"), at the office of Director of Finance, the Principal Sum of _____ the Dollars (\$ _____) in lawful money of the United States of America, on _____, together with interest on the principal amount outstanding hereunder from time to time at the rate or rates per annum set forth in that certain Note Purchase Agreement (the "Note Purchase Agreement") by and between the City and the Bank dated _____, 2019 (computed on the basis set forth in the Note Purchase Agreement) in like lawful money from the date hereof until payment in full of said principal sum. Interest hereon shall be payable to the Bank at the address shown on the registration books of the Director of Finance; provided that the address may be changed pursuant to the terms of the Note Purchase Agreement, and at such other times as may be required under the Note Purchase Agreement. The principal of and interest at maturity on this Note shall be payable only to the Bank and in the manner provided in the Note Purchase Agreement. Upon payment in full of this Note, this Note shall be surrendered for cancellation.

It is hereby certified, recited and declared that this Note is an authorized Note entitled "City of Oakland 2019-2020 Tax and Revenue Anticipation Note" (the "Note"), in the aggregate principal amount of _____ Dollars (\$ _____), to be issued in a single series by authority of Article 7.6 (commencing with section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California and Resolution No.

_____ adopted by the City Council on _____, 2019 (together with the Note Purchase Agreement appended thereto, the "Resolution"), and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the City does not exceed any limit prescribed by the Constitution or laws of the State of California. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Resolution.

The Note is subject to redemption prior to maturity at the times and upon the terms set forth in the Note Purchase Agreement.

Pursuant to the Resolution, the City has pledged all Property Tax Revenues and Additional Revenues (collectively, the "Pledged Property"), as such terms are defined in the Note Purchase Agreement, to the payment of the principal of and interest on the Note, and the Note is an obligation of the City payable from the Pledged Property.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Director of Finance.

IN WITNESS WHEREOF, the City of Oakland has caused this Note to be executed by the manual or facsimile signature of its City Administrator and countersigned by the manual or facsimile signature of the City Clerk and caused a facsimile of the official seal to be imprinted hereon, all as of the ____ day of _____, 2019.

CITY OF OAKLAND

By: _____
City Administrator

(SEAL)

Countersigned:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is the City of Oakland, California 2019-2020 Tax and Revenue Anticipation Note described in the within mentioned Resolution.

Date of Authentication: _____, 2019

Director of Finance

EXHIBIT B

FORM OF NOTE PURCHASE AGREEMENT

NOTE PURCHASE AGREEMENT

between

CITY OF OAKLAND

and

BANK OF AMERICA, N. A.

Dated July __, 2019

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This NOTE PURCHASE AGREEMENT, dated July __, 2019, is entered into by and between the CITY OF OAKLAND, a municipal corporation duly organized and existing under and by virtue of the laws of the State of California and its charter (the "City"), and BANK OF AMERICA, N.A., a national banking association (including its successors and assigns, the "Bank").

WITNESSETH:

WHEREAS, the City desires to sell its City of Oakland 2019-2020 Tax and Revenue Anticipation Note (as amended, restated or otherwise modified, the "Note") in anticipation of its receipt of Property Tax Revenues (as defined herein) in order to prepay a portion of the City's employer unfunded accrued liability contribution to the California Public Employees' Retirement System for the fiscal year ending June 30, 2020; and

WHEREAS, the Bank is willing, on the terms and conditions contained herein, to purchase the Note as further described herein from the City.

NOW, THEREFORE, in consideration of the respective agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The following terms have the meanings indicated below or in the referenced Section of this Agreement, unless the context shall clearly indicate otherwise:

"Additional Revenues" means all legally available taxes, income, revenue, cash receipts, and other moneys of the City attributable to the City's Fiscal Year ending June 30, 2020 and chargeable to the City's general fund and excluding moneys which, when received by the City, will be encumbered for a special purpose.

"Affiliate" means with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have correlative meanings.

"Agreement" means this Note Purchase Agreement, as amended, modified and supplemented from time to time.

"Applicable Lending Office" means the office the Bank at which the Note is carried on the books and records of the Bank, which, initially, is Los Angeles, California.

"Authorized Representative" means any of the following officers of the City: the City Administrator, the Director of Finance/Treasurer and any individual designated in writing to the

Bank as an Authorized Representative by the City Administrator or the Director of Finance/Treasurer.

"Authorizing Law" means California Government Code Sections 53850 to 53858 (inclusive).

"Bank" has the meaning assigned to that term in the introductory paragraph of this Agreement.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York, Los Angeles, California or Oakland, California are authorized or required by law to remain closed.

~~"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Bank (or by the Applicable Lending Office of the Bank) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.~~

"City" has the meaning assigned to that term in the introductory paragraph of this Agreement.

"Default" means the occurrence of any event or the existence of any circumstances that, with the passage of time, the giving of notice, or both, would become an Event of Default.

"Default Rate" has the meaning assigned to that term in Section 2.03(b) hereof.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Director of Finance/Treasurer" means the individual who from time to time occupies the office of the Director of Finance/Treasurer of the City or, if such office is vacant, the office of the acting Director of Finance/Treasurer.

"Dollars" and "\$" means the lawful currency of the United States of America.

"Effective Date" means July __, 2019.

"Event of Default" has the meaning assigned to that term in Section 6.01 hereof.

"Excess Interest" has the meaning assigned to that term in Section 2.03(d) hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a

Business Day, the average of the quotations at approximately 10:00 a.m., ~~Pacific Standard Time~~California time, on such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank in its sole discretion.

"Fiscal Year" means each twelve-month period commencing on July 1 and ending on June 30.

"GO Indebtedness" has the meaning assigned to that term in Section 6.01(d) hereof.

"Governmental Authority" means the government of the United States of America, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Indebtedness" means, without duplication, (a) all indebtedness (including principal and interest) of the City for borrowed money or for the deferred purchase price of property or services; (b) all liabilities secured by any Lien on any property owned by the City, whether or not such liabilities have been assumed by the City; (c) the aggregate amount required to be capitalized under leases under which the City is the lessee; and (d) all Contingent Obligations of the City. As used in this definition, the term "Contingent Obligation" means, as to the City, any obligation of the City guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly including, without limitation, any obligation of the City, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the holder of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming the City is required to perform thereunder) as determined by the City in good faith.

"Indemnatee" has the meaning assigned to that term in Section 7.07(a) hereof.

"Interest Invoice" has the meaning assigned to that term in Section 2.03(c) hereof.

"Interest Rate" has the meaning assigned to that term in Section 2.01 hereof.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement).

"Margin Stock" has the meaning provided in Regulation U of the Board of Governors of the Federal Reserve System.

"Maturity Date" has the meaning assigned to that term in Section 2.01 hereof.

"Maximum Rate" means ten percent (10%) per annum.

"Note" has the meaning assigned to that term in the recitals of this Agreement.

"Notice" or "notice" means any form of written communication or a communication by means of electronic mail, facsimile device, telegraph or cable and confirmed telephonically.

"Obligations" means all amounts owing to the Bank pursuant to the terms of this Agreement and the Note.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Ordinance" means Ordinance No. _____ C.M.S. adopted by the City Council of the City on _____, 2019.

~~"Parent" has the meaning assigned to that term in Section 2.04(b) hereof~~ means the Bank's holding company.

"Payment Date" has the meaning assigned to that term in Section 2.02 hereof.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or a political subdivision or an agency or instrumentality thereof.

"Pledged Property" has the meaning assigned to that term in Section 2.06 hereof.

"Prime Rate" means the rate of interest per annum announced from time to time by the Bank as its prime rate. The Prime Rate is a variable rate and each change in the Prime Rate is effective from and including the date the change is announced as being effective. THE PRIME RATE IS A REFERENCE RATE AND MAY NOT BE THE BANK'S LOWEST RATE.

"Property Tax Revenues" means all secured ad valorem property tax payments that the City receives from the County of Alameda, California in respect of the Fiscal Year ending June 30, 2020 (but not including (i) property taxes levied for general obligation bonds as provided under Section 1(b) of Article XIII A of the California Constitution or (ii) property taxes in excess of the 1% limit to pay pension obligations).

"Related Documents" means the Note, the Ordinance and the Resolution.

"Resolution" means Resolution No. _____ C.M.S. adopted by the City Council of the City on _____, 2019.

"Sanction(s)" means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"Section 5.05 Documents" means the documents required to be delivered by Section 5.05 hereof.

"State" means the State of California.

"Taxes" has the meaning assigned to that term in Section 2.08 hereof.

"Usury Rate" has the meaning assigned to that term in Section 2.03(d) hereof.

Section 1.02 Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

ARTICLE II NOTE

Section 2.01 Purchase of Note. On the basis of the representations, warranties and covenants contained herein, but subject to the terms and conditions herein set forth, the Bank hereby agrees to purchase from the City, and the City hereby agrees to sell to the Bank, the Note. The Note shall be in a principal amount equal to ~~\$115,000,000~~, [120,000,000], shall bear interest at the non-default rate of _____ percent (____%) per annum (the "Interest Rate") and shall have a maturity date of June 30, 2020 (the "Maturity Date"). The purchase price of the Note shall be 100% of the principal amount thereof. The Bank shall wire transfer the purchase price to the account set forth in the City's request for funds dated July __, 2019.

Section 2.02 Repayment. The City hereby agrees to pay or cause to be paid the outstanding principal of the Note together with interest thereon on the dates (each, a "Payment Date") below and in the amounts set forth on Exhibit A attached hereto:

Payment Date
September ~~30~~, 27, 2019
December ~~30~~, 27, 2019
March ~~30~~, 27, 2020
June ~~30~~, 26, 2020

Each payment shall be made to the Bank by wire transfer of immediately available funds to:

Bank of America, N.A., Boston, MA
ABA # 026009593
Bank of America, N.A.,
A/C #136621-1001000
Beneficiary = Bank#16, AFS# 515389
Attention: Call Satinder Parwana for questions 206-358-6055

Section 2.03 Interest. The City agrees to pay interest in respect of the unpaid principal amount of the Note as follows:

(a) The City agrees to pay interest in respect of the unpaid principal amount of the Note from the date the proceeds thereof are made available to the City until the date the Note is paid in full at a rate per annum equal to the Interest Rate or the Default Rate, as applicable.

(b) Overdue principal and, to the extent permitted by law, overdue interest in respect of the Note shall, subject to Section 2.03(d) below, bear interest at a rate per annum equal to the highest of (i) the Federal Funds Effective Rate plus 3.00%, (ii) the Prime Rate plus 1.50%, or (iii) 7.50% (the "Default Rate").

(c) Interest shall be payable on each Payment Date for the interest accrued on the Note from and including the preceding Payment Date (or in the case of the initial interest payment, from the date of issuance of the Note) to but excluding such Interest Payment Date. The Bank shall deliver an invoice (each an "Interest Invoice") to the City no later than ten (10) Business Days prior to each Payment Date; provided that failure of the Bank to deliver an Interest Invoice shall not affect the City's obligations in respect of such interest. If the Note has not been paid in full by the Maturity Date, interest shall be payable upon demand of the Bank.

(d) If the rate of interest payable on the Note, including amounts payable under Sections 2.04 and 2.08 hereof, shall exceed the Maximum Rate or, if less, any maximum interest rate payable by law for any period for which interest is payable (the "Usury Rate"), then (i) interest at such Maximum Rate or the Usury Rate, as the case may be, shall be due and payable on the Note and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such Maximum Rate or the Usury Rate, as the case may be (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such Maximum Rate or the Usury Rate, as the case may be, at which time the City shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid

to the Bank to equal such Maximum Rate or the Usury Rate, as the case may be, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until the earlier of (x) the date all deferred Excess Interest is fully paid to the Bank or (y) the Maturity Date.

(e) All computations of interest (other than interest that is determined by reference to the Default Rate) shall be made on the basis of a 30/360 day year ~~and actual days~~ ~~lapsed~~. All computations of interest at the Default Rate shall be made on the basis of a 365 day year and actual days lapsed.

Section 2.04 Reserved.

Section 2.05 Prepayment. The City may prepay the Note in full or in part at any time, subject to the following:

(a) Each prepayment shall occur on a Business Day.

(b) The City shall provide the Bank with written notice in the form attached hereto as Exhibit AB at least three (3) Business Days prior to such prepayment date.

(c) With respect to each prepayment of the Note in part, the amount prepaid shall be an amount not less than \$5,000,000 and integral multiples of \$1,000,000 in excess thereof.

(d) Each prepayment will be applied to the most remote payment of principal due under the Note. Each prepayment, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee calculated by the Bank.

(e) The prepayment fee will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

(i) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to _____%, as if the prepayment had not been made, less

(ii) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

Provided, however, that in no event shall the prepayment fee with respect to any prepayment of the Note exceed 3.0% of the principal amount of the Note.

(f) The following definitions will apply to the calculation of the prepayment fee:

(i) ~~“Taxable Equivalent Rate” means the interest rate per annum derived from the following formula: the Interest Rate divided by the difference of (one~~

minus the ~~Maximum Corporate Income Tax Rate~~). The ~~"Maximum Corporate Income Tax Rate"~~ is the highest marginal federal income tax rate charged to U.S. corporations in effect on the Effective Date. The ~~Maximum Corporate Income Tax Rate~~ is currently 21% (or 0.21 in numerical terms).

(i) (ii) ~~"Reinvestment Rate"~~ means with respect to each prepaid installment of principal, the Swap Rate on the date the prepayment fee is calculated by the Bank for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary, and

(ii) (iii) ~~"Swap Rate"~~ means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month London interbank offered rate determined by the Bank on such date by reference to the Bloomberg service or such other similar data source then used by the Bank for determining such rate. [STILL UNDER BANK REVIEW]

(g) The prepayment fee as calculated by the Bank shall, absent manifest error, be final and conclusive and binding on the City.

Notwithstanding the foregoing provisions of this Section 2.05, the City may not prepay the Note if the prepayment fee when treated as interest would result in a combined interest rate on the Note in excess of the Maximum Rate.

Section 2.06 Security Interest. Pursuant to the Ordinance and the Resolution, the City has pledged all Property Tax Revenues and the Additional Revenues (if applicable) (collectively, the "Pledged Property") to the payment of the principal of and interest on the Note. The pledge is valid and binding in accordance with the terms of the Ordinance and the Resolution, and the Pledged Property shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the Pledged Property and be effective, binding, and enforceable against the City, its successors, purchasers of the Pledged ~~Party~~Property, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, the Ordinance and the Resolution irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Notwithstanding anything to the contrary contained herein, the obligations of the City under this Agreement and the Note shall be payable solely from the Pledged Property.

Section 2.07 Method and Place of Payment. All payments under this Agreement or the Note shall be made to the Bank not later than 12:00 Noon (~~Pacific Standard Time~~ California time) on the date when due and shall be made in Dollars in immediately available funds by wire transfer to the account of the Bank set forth in Section 2.01 herein or by check delivered to the office of the Bank set forth in any invoice of the Bank, or such other account as the Bank may hereafter designate in writing as such to the City. Any Notice of a change in the account of the Bank shall become effective on the fifth calendar day after the delivery of such Notice to the City. Whenever any payment to be made hereunder or under the Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next

succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

Section 2.08 Net Payment. All payments made by the City hereunder or under the Note will be made without setoff, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (but excluding any tax imposed on or measured by the net income of the Bank pursuant to the laws of the jurisdiction (or any political subdivision or taxing authority thereof or therein) in which the Applicable Lending Office of the Bank is located) and all interest, penalties or similar liabilities with respect thereto (collectively, "Taxes"). If any Taxes are so levied or imposed, the City agrees, subject to Section 2.03(d) hereof, to pay the full amount of such Taxes and such additional amounts as may be necessary so that every payment of all amounts due hereunder or under the Note, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein or in the Note. The City will furnish to the Bank, within forty-five (45) days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the City. To the extent permitted by law, the City hereby agrees, subject to Section 2.03(d) hereof, to indemnify and hold harmless the Bank, and reimburse the Bank upon its written request, for the amount of any Taxes so levied or imposed and paid by the Bank. The provisions of this Section 2.08 shall survive the termination of this Agreement.

Section 2.09 Transfers of the Note. Unless an Event of Default has occurred and is continuing, the Bank shall not transfer the Note to any Person other than an Affiliate of the Bank without the prior written consent of the City.

Section 2.10 Evidence of Indebtedness. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the City under the Note and the amount of principal and interest payable and paid from time to time thereunder. In any legal action or proceeding in respect of this Agreement or the Note, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations of the City therein recorded.

ARTICLE III CONDITIONS PRECEDENT

Section 3.01 Conditions to the Bank's Entering Into Agreement. It shall be a condition precedent to the Bank's entering into this Agreement and purchasing the Note that all proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto, including the Related Documents, shall be in form and substance satisfactory to the Bank and that the conditions enumerated in this Section 3.01 have been fulfilled to the satisfaction of the Bank. Delivery by the Bank of a fully executed signature page to this Agreement and a fully executed signature page to the Purchaser Letter, which such Purchaser Letter shall be in the form attached hereto as Exhibit BC, constitute acknowledgment and acceptance by the Bank that all such conditions have been met or waived.

(a) Representations. On the Effective Date, (i) there shall exist no Event of Default or Default; (ii) all representations and warranties made by the City herein or in any of the Related Documents shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time; and (iii) each of the Related Documents to which the City is a party, as amended (if applicable), is in full force and effect and has not been amended, modified or changed.

(b) Documents. On or prior to the Effective Date, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) True and complete executed originals of this Agreement and the Note;

(ii) The Ordinance and the Resolution certified as being accurate and complete and in full force and effect as of the Effective Date by the City Clerk;

(iii) Signature and incumbency certificates, dated the Effective Date, of the signatories of the City executing this Agreement and the Note;

(iv) A certificate of an Authorized Representative dated the Effective Date, confirming that the budget for the Fiscal Year ending June 30, 2020 has been approved by the City Council and making the representations set forth in Section 3.01(a) with respect to the City;

(v) Executed copies of (A) the legal opinion of counsel to the City addressed to the Bank; and (B) the legal opinion of Jones Hall, A Professional Law Corporation, which opinions, in each case, shall be in form and substance satisfactory to the Bank;

~~(vi) A copy of the City's comprehensive annual financial report ("CAFR") for the City's Fiscal Year ended June 30, 2018;~~

~~(vi)~~ ~~(vii)~~ If the annual proposed budget for the Fiscal Year ending June 30, 2020 in the form considered by the City Council at its meeting on June 19, 2019 is changed after June 19, 2019 such date and before the Effective Date, a synopsis of the meeting at which the City Council approved such changes to the annual budget for the City's Fiscal Year ending June ~~19, 2019~~ 30, 2020 certified by an Authorized Representative; and

~~(vii)~~ ~~(viii)~~ Such further documentation, certificates or opinions as the Bank may reasonably request in connection with the matters arising under this Agreement and the Related Documents.

(c) Absence of Material Adverse Change. The Bank shall be satisfied that, on the Effective Date, no material adverse change in or effect upon the financial condition of the City shall have occurred since June 30, 2018 or the City's ability to perform its obligation under this Agreement and the Related Documents. In addition, on or prior to the Effective Date, no change shall have occurred in any law, rule or regulation or in any interpretation thereof that, in

the opinion of counsel to the Bank, would make it illegal for the Bank to execute and deliver this Agreement or for the City to execute, deliver and perform under the terms of this Agreement and the Note.

(d) Payment. The City shall have paid the fees and expenses of counsel to the Bank as provided in Section 7.06 hereof.

(e) Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement and the Related Documents shall be satisfactory to the Bank, and the Bank shall have received such other statements, certificates, agreements, documents and information with respect to the City and matters contemplated by this Agreement as the Bank may reasonably request.

ARTICLE IV REPRESENTATIONS OF THE CITY

The City makes the following representations and warranties to the Bank as of the date hereof:

Section 4.01 Valid Existence. The City is a municipal corporation duly organized and existing under and by virtue of the laws of the State and its Charter and has the necessary power and authority to execute and deliver this Agreement and the Related Documents, and to perform its obligations hereunder and thereunder.

Section 4.02 Authorization and Validity. The execution, delivery and performance by the City of this Agreement, the Note and the other Related Documents have been duly authorized by proper proceedings of the City, and no further approval, authorization or consents are required by law or otherwise. This Agreement, the Note and the Resolution constitute the legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally and principles of equity and public policy.

Section 4.03 Compliance with Laws and Contracts. Neither the execution and delivery by the City of this Agreement, or the Note, or the passage or adoption of the Ordinance and the Resolution, nor the consummation by the City of the transactions herein and therein contemplated, nor compliance by the City with the provisions hereof or thereof will (a) violate any provision of its Charter, (b) violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the City, (c) result in any breach of, or default under the provisions of any material indenture, resolution, instrument or agreement to which the City is a party or is subject, or by which it or its property is bound, or (d) conflict with or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement.

Section 4.04 Litigation. Other than has been previously disclosed in writing to the Bank, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending with service of process accomplished or, to the knowledge of the City's Director of Finance/Treasurer, threatened against or affecting the City (a) wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the

transactions contemplated by or the validity of this Agreement, the Note or any of the other Related Documents, or (ii) the City's ability to perform its obligations hereunder or under the Note, or the other Related Documents; or (b) which in any way contests the existence, organization or powers of the City or the titles of the officers of the City to their respective offices.

Section 4.05 No Event of Default. No Event of Default or Default has occurred and is continuing.

Section 4.06 Projections and Budget Material. The City represents that the proposed budget for the Fiscal Year ending June 30, 2020 in the form considered by the City Council at its meeting on June __, 2019 were prepared on the basis of information and estimates that the City believed on the Effective Date to be reasonable.

Section 4.07 Accurate and Complete Disclosure. The City certifies as of the Effective Date that a true, correct and complete copy of the CAFR has been furnished to the Bank. The City also certifies that the information contained in the CAFR was accurate as of the respective dates of such information. The Director of Finance/Treasurer certifies that he or she has not failed to disclose any material information relating to the Property Tax Revenues of which he or she has actual knowledge, after due inquiry, where such omission would reasonably be expected to impact the Bank's decision to enter into the Agreement.

Section 4.08 Regulatory Approvals. Each authorization, consent, approval, license or formal exemption from or filing, declaration or registration with, any court, governmental agency or regulatory authority (federal, state or local), required to be obtained by the City in connection with the City's execution and delivery of, and performance under this Agreement, the Note and the other Related Documents has been obtained or made and is in full force and effect.

Section 4.09 Prospective Change in Law. To the knowledge of the City's Director of Finance/Treasurer, there is no amendment, or proposed amendment certified for placement on a ballot, to the City Charter or the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial decision interpreting any of the foregoing, the effect of which is to invalidate, eliminate or materially reduce the Property Tax Revenues.

Section 4.10 Sovereign Immunity. Under existing law, the City is not entitled to raise the defense of sovereign immunity in connection with any legal proceeding to enforce or collect upon this Agreement or any Related Document, including payment of the principal of and interest on the Note; provided that the City is entitled to raise the defense of sovereign immunity in connection with actions based on torts.

Section 4.11 Priority of Pledge. The Resolution provides the Bank with a valid pledge of the Pledged Property, the priority of which is set forth in the Resolution, and the Bank is required to take no further action to perfect or maintain this pledge.

Section 4.12 Ordinance and Resolution. Each of the Ordinance and the Resolution is in full force and effect. Each of the Ordinance and the Resolution has not been amended or

supplemented except by such amendments or supplements as have previously been delivered to the Bank.

Section 4.13 City Charter. The City Charter is in full force and effect and has not been amended or supplemented except by such amendments or supplements as have previously been disclosed on the City's website located at <http://www2.oaklandnet.com/government/o/CityCouncil/a/CityCharter/index.htm>.

Section 4.14 Note. As of the Effective Date, the Note has been duly and validly issued under the Ordinance and the Resolution and is entitled to the benefits thereof.

Section 4.15 Usury. The terms of this Agreement, the Note and the other Related Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

Section 4.16 Sanctions Concerns and Anti-Corruption Laws.

(a) *Sanctions Concerns*. Neither the City, nor, to the knowledge of the City, any council member, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) *Anti-Corruption Laws*. The City has conducted its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE V COVENANTS OF THE CITY

During the term of this Agreement, and until the Obligations are paid in full, including full payment of the Note, unless the Bank shall otherwise consent in writing, the City covenants and agrees as follows:

Section 5.01 Notice of Default. As soon as practicable but in any event not more than three (3) Business Days after an Authorized Representative of the City shall have obtained knowledge of the occurrence of an Event of Default or Default provide to the Bank the written statement of an Authorized Representative setting forth the details of each such Event of Default or Default and, to the extent the City has made any determination with respect thereto, the action or actions which the City proposes to take with respect thereto.

Section 5.02 Compliance With Laws. The City shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject; provided, however, that the City may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies

which it may have with regard thereto, so long as such acts do not affect the City's power and authority to execute and deliver this Agreement, to perform its obligations and pay all amounts payable by it hereunder or under the Note, or to execute and deliver the other Related Documents and to perform its obligations thereunder.

Section 5.03 Ordinance and Resolution. The City agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Ordinance and the Resolution, each of which covenants and agreements is, by this reference, incorporated into this Agreement in its entirety together with all defined terms and construction provisions necessary for a correct understanding thereof. The City shall not amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under, or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination, modification, or grant of a waiver under the Ordinance or the Resolution which would materially impair the ability of the City to perform its obligations under this Agreement without the prior written consent of the Bank.

Section 5.04 No Impairment. The City will not take any action that would materially impair the City's ability to perform its obligations under this Agreement, the Note and the other Related Documents.

Section 5.05 Budgets; Financial Statements; Reports, Certificates and Other Information. The City shall provide or cause to be provided to the Bank copies of:

(a) As soon as available, a copy of the City's annual budget for the City's Fiscal Year ending June 30, 2020, as said budget shall have been adopted by the City Council;

(b) As soon as available, and, in any event, no later than nine months following the end of the Fiscal Year ended June 30, 2019, the CAFR for Fiscal Year ended June 30, 2019 together with an opinion of the independent accountants who conducted the audit of the financial statements of the City contained in the CAFR, which opinion shall contain no qualifications other than qualifications relating to the implementation of rules issued by the Government Accounting Standards Board (the failure to comply with which would not, in the opinion of the Bank in its sole discretion, individually or in the aggregate, have a material impact on any financial statement line item);

(c) Concurrently with the furnishing of the financial statements described under Section 5.05(b) hereof, a certificate signed by an Authorized Representative in the form attached hereto as Exhibit CB stating that (i) the City has complied with all of the terms, provisions and conditions of this Agreement and the other Related Documents, (ii) to the best of his/her knowledge, the City has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Agreement and the other Related Documents on the City's part to be performed and (iii) no Default or Event of Default has occurred or, if such Default or Event of Default has occurred, specifying the nature of such Default or Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Default or Event of Default;

(d) As soon as practicable, after a written request by the Bank, such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the City as the Bank may from time to time reasonably request;

(e) As soon as available and, in any event, within ten (10) Business Days after adoption by the City Council any changes to the annual budget for the City for the Fiscal Year ending June 30, 2020, including, but not limited to, all interim budget reports, if any, but only to the extent that such changes relate to Property Tax Revenues;

(f) Promptly, notice of (i) any action, suit or proceeding known to it at law or in equity or by or before any governmental instrumentality, entity or other agency or (ii) any pending or threatened in writing investigation by any governmental instrumentality, entity or other agency, which, if adversely determined, would materially impair the ability of the City to carry out its obligations under this Agreement, the Note or any other Related Document or any other document, instrument or agreement required hereunder or thereunder, or would materially and adversely affect its assets or financial condition; and

(g) Promptly, notice of any matter or event which may result in a material adverse change in the City's financial condition or operations.

Section 5.06 Inspection Rights. At any reasonable time and from time to time the City shall permit the Bank or any agents or representatives thereof to examine and make copies of the records and books of account related to the Property Tax Revenues and the transactions contemplated by this Agreement, the Note and the other Related Documents, to visit the City's properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants.

Section 5.07 Use of Proceeds. The City shall use the proceeds of the Note to (i) prepay a portion of the City's employer unfunded accrued liability contribution to the California Public Employees' Retirement System ("CalPERS") for the Fiscal Year ending June 30, 2020 and (ii) pay the costs of issuance of the Note. Without limiting the foregoing, the City agrees that no part of the proceeds of the Note will be used by the City to (a) purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or (b) to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions. The Bank acknowledges that the City does not have any control over how the Note proceeds are invested by CalPERS.

Section 5.08 Existence. The City shall maintain its legal existence and shall not merge or consolidate with or into any other Person.

Section 5.09 Indebtedness and Liens. The City shall not create or suffer to exist any Indebtedness secured by a Lien upon, or with respect to, any of the Pledged Property, except as permitted pursuant to the Resolution.

Section 5.10 Assignments. The City shall not assign, transfer or otherwise convey any interest in the Pledged Property without the prior written consent of the Bank.

Section 5.11 Further Assurances. From time to time hereafter, the City will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purpose of implementing or effectuating the provisions of this Agreement and the Related Documents or for the purpose of more fully perfecting or renewing the Bank's rights with respect to the Pledged Property.

Section 5.12 Certain Information. ~~The~~Except to the extent required in the reasonable opinion of the City in consultation with the City Attorney under any undertaking of the City entered into for the purpose of permitting an underwriter to comply with Rule 15c2-12 of the Securities and Exchange Act of 1934, the City shall not include in any amendment or supplement to any offering or disclosure document with respect to any Indebtedness, whether offered publicly or private, any information concerning the Bank that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein, other than the Bank's name and a brief description of this Agreement, which may be included in such offering or other document without the Bank's prior written consent.

Section 5.13 Accuracy of Information. The City agrees that it shall provide the Bank with true, correct and complete copies of the Section 5.05 Documents. The City also agrees that the information contained in the Section 5.05 Documents (excluding any budget materials) will be accurate as of the respective dates of such information. The Director of Finance/Treasurer agrees that, to his or her actual knowledge, the information contained in the Section 5.05 Documents (excluding any budget materials) will be complete in all material respects with respect to the Property Tax Revenues.

Section 5.14 No Immunity. To the fullest extent permissible by law, the City will not assert any immunity it may have as a public entity under the laws of the State from lawsuits with respect to this Agreement or any Related Document. To the extent the City may hereafter acquire under any applicable law any rights to immunity from legal proceedings on a ground of sovereign immunity, the City hereby waives and agrees not to claim, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement or any Related Document.

Section 5.15 Books and Records. The City agrees that it shall keep proper books of record and account in which full, true, and correct entries in accordance with the City's budget basis, accounting principles and reporting requirements and all requirements of law shall be made of all dealings and transactions relating to the City's general fund.

ARTICLE VI EVENTS OF DEFAULT; REMEDIES

Section 6.01 Events of Default. Each of the following events shall constitute an "Event of Default" hereunder:

(a) Payments. The City shall (i) default in the payment when due of any principal of or interest on the Note, and such default shall continue unremedied for one (1) or more Business Days; or (ii) default, and such default shall continue unremedied for two (2) or

more Business Days, in the payment when due of any Obligation (other than the payment of the principal of and interest on the Note which is governed by clause (i) above).

(b) Representations Untrue. Any representation, warranty, certification or statement made by the City in this Agreement, in the Ordinance or in the Resolution shall (in any such case) have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) Covenant Defaults.

(i) The City shall default in the due performance on or observance of any term, covenant or agreement contained in Sections 5.01, 5.03, 5.04, 5.08, 5.09, 5.10 and 5.14 of this Agreement.

(ii) The City shall default in the due performance on or observance of any term, covenant or agreement contained in Section 5.05 of this Agreement and such default, if capable of being remedied, shall remain unremedied for ten (10) days after written notice thereof shall have been given to the City by the Bank.

(iii) The City shall default in the due performance or observance of any term, covenant or agreement contained herein or incorporated herein (other than those described in other provisions of this Section 6.01) and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier of (A) actual knowledge thereof by any Authorized Representative or (B) receipt of written notice thereof from the Bank.

(d) Cross Default. The City shall (i) default in any payment of any general obligation Indebtedness (collectively, the "GO Indebtedness") (other than the Note) beyond the period of grace (not to exceed thirty (30) days), if any, provided in the instrument or agreement under which such GO Indebtedness was created and in excess of \$10,000,000, or (ii) default in the observance or performance of any agreement or condition relating to any GO Indebtedness (other than the Note) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such GO Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such GO Indebtedness to become due prior to its stated maturity.

(e) Cross Acceleration. Any GO Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(f) Invalidity; Repudiation.

(i) Any material provision of this Agreement, the Note, the Authorizing Law, the Ordinance or the Resolution is declared to be null and void by a final non-appealable judgment of court of competent jurisdiction; or

(ii) The City, pursuant to official action on the part of its City Council, shall deny that it has any or further liability or obligation under this Agreement, the Note, the Authorizing Law, the Ordinance or the Resolution.

(g) Insolvency, Etc. The City shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any substantial part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of ninety (90) days; or the State or any other Governmental Authority having jurisdiction over the City imposes a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of or interest on any debt by the City; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the City (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of ninety (90) days.

(h) Pledge, Etc. The pledge of the Pledged Property created by the Resolution shall fail to provide the Bank, as Note holder, with the security interest in the Pledged Property purported to be provided, or the Bank, as Note holder, shall cease to have a valid security interest in the Pledged Property.

(i) Resolution Default. The City shall default in the due performance or observance of any material term, covenant or agreement contained in the Resolution and the same shall not have been cured within any applicable cure period.

(j) Certain Unsatisfied Judgments. A judgment or court order for the payment of money in excess of \$10,000,000 shall be rendered against the City that is payable from the City's general fund, and such judgment or court order shall continue unsatisfied and in effect for a period of sixty (60) consecutive days without being vacated, discharged, satisfied, or stayed or bonded pending appeal.

(k) Ratings. (i) The long-term rating assigned by Moody's or S&P to any long-term, unenhanced GO Indebtedness of the City is reduced below "A3" (or its equivalent) or "A-" (or its equivalent), respectively or (ii) the long-term rating assigned by Moody's and S&P to any long-term, unenhanced GO Indebtedness of the City shall be withdrawn or suspended, in either case, due to credit-related reasons.

Section 6.02 Remedies. If any Event of Default shall have occurred and be continuing, the interest on the Note or any portion outstanding shall automatically accrue interest at the Default Rate, and the Bank may by Notice to the City take any or all of the following actions, without prejudice to the rights of the Bank to enforce its claims against the City (provided, that, if an Event of Default specified in Section 6.01(g) shall occur, the result which would occur upon the giving of Notice by the Bank to the City as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such Notice): (i) declare the principal of and any accrued

interest in respect of the Note and all other Obligations owing hereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; and/or (ii) exercise any other rights or remedies the Bank may have under the Resolution, at law or in equity.

Section 6.03 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder, under the Note or under any other Related Document and no course of dealing between the City and the Bank shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder, under the Note or under any other Related Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein, under the Note or in any other Related Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Bank would otherwise have. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

ARTICLE VII MISCELLANEOUS

Section 7.01 Amendments. No provision of this Agreement may be amended, modified, changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto.

Section 7.02 Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the City and the Bank and their respective successors, endorsees and assigns, except that neither party hereto may assign or transfer their respective rights or obligations hereunder without the prior written consent of the other party except that the Bank may assign its rights hereunder without the consent of the City to an Affiliate of the Bank or to any other Person upon the occurrence and during the continuation of an Event of Default. The Bank may grant a participation to any financial institution in all or any part of, or any interest (undivided or divided) in, the Bank's rights and benefits under this Agreement, the Note and the other Related Documents and, to the extent of that participation, such participant shall, except as set forth in the following clause (ii), have the same rights and benefits against the City hereunder and the Note as it would have had if such participant were a direct party hereto, ~~including, but not limited to, the rights set forth in Section 2.04;~~ provided that (i) no such participation shall affect the obligations of the Bank to purchase the Note as herein provided; (ii) the City shall be required to deal only with the Bank with respect to any matters under this Agreement and no such participant shall be entitled to enforce directly against the City any provision hereunder; (iii) no participant shall be entitled to recover amounts hereunder in excess of any amounts to which the Bank or the Parent is entitled to recover hereunder; and (iv) such participant shall not be any Person registered as an investment company under the Investment Company Act of 1940, as amended.

(b) Notwithstanding the foregoing provisions of this Section 7.02(a), (i) the Bank may assign and pledge all or any portion of the amounts owing to it with respect to the Note to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to

Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; and (ii) any payment in respect of such assigned amounts owed with respect to the Note made by the City to the Bank in accordance with the terms thereof shall satisfy the City's obligations thereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 7.03 Governing Law; Waiver of Jury Trial; Waiver of Special Damages; Sovereign Immunity.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE; *PROVIDED*, THAT THE DUTIES AND OBLIGATIONS OF THE CITY UNDER THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

(b) THE CITY AND THE BANK (BY ITS ACCEPTANCE HEREOF) HEREBY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE CITY AND THE BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, THE NOTE AND THE OTHER RELATED DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK TO PROVIDE THE FINANCING EVIDENCED BY THIS AGREEMENT. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, THE CITY AND THE BANK HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. THE CITY AND THE BANK REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) THE CITY WAIVES, TO THE EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

(d) THE BANK HEREBY RECOGNIZES THAT THE PROCEDURAL REQUIREMENTS AND REMEDIES APPLICABLE TO COMMENCING AN ACTION AGAINST THE CITY DIFFER FROM REQUIREMENTS APPLICABLE TO NONGOVERNMENTAL ENTITIES.

Section 7.04 Severability. If any provision of this Agreement shall be held or deemed to be or shall in fact be illegal, inoperative or unenforceable the same shall not affect any other provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 7.05 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

Section 7.06 Expenses. The City shall pay the reasonable fees and costs of counsel for the Bank not to exceed \$10,000 for expenses of Bank Counsel related to this transaction. The City shall also pay (a) all reasonable out-of-pocket expenses of the Bank, including reasonable fees and expenses of counsel retained by the Bank in connection with any waiver or consent hereunder or under any Related Documents or any amendment hereof or thereof; provided that simple amendments (as determined by the Bank in its sole discretion) shall be subject to a fee equal to \$2,500 plus attorney's fees and expenses and more complex amendments (as determined by the Bank in its sole discretion) shall be subject to a fee determined by the Bank on a case-by-case basis; and (b) if any Default or Event of Default occurs, all out-of-pocket expenses incurred by the Bank, including the fees and disbursements of counsel and experts retained by the Bank in connection with such Default or Event of Default and collection and other enforcement proceedings resulting therefrom.

Section 7.07 Indemnification.

(a) To the extent permitted by law, the City agrees to indemnify and hold harmless the Bank, its Affiliates and their respective officers, directors, employees and their agents (each, an "Indemnitee") from and against any and all claims, damages, penalties, actions, losses, liabilities, judgments, suits and reasonable costs or expenses (including, without limitation, reasonable attorney's fees and expenses) whatsoever which an Indemnitee may incur (or which may be claimed against an Indemnitee by any person or entity whatsoever) by reason of or in connection with any action, proceeding or investigation (whether or not the Bank is a party thereto) arising from the entering into and/or performance of this Agreement or any Related Document or the use of the proceeds of the Note or the consummation of any transactions contemplated herein or in any Related Document, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such action, proceeding or investigation (but excluding any such claims, damages, penalties, actions, losses, liabilities, judgments, suits and reasonable costs or expenses, to the extent incurred by reason of the gross negligence or willful misconduct of the Indemnitee).

(b) To the extent permitted by law, the City agrees to indemnify and hold the Bank and its officers, directors, employees and their agents harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other

similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Note and the other Related Documents, or any amendment thereto.

Section 7.08 Term of the Agreement. Except for the City's obligations to indemnify the Bank and each other Indemnatee, this Agreement shall terminate when all Obligations have been paid in full.

Section 7.09 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Bank shall be deemed or have been sufficiently given or filed for all purposes, if any, when delivered by hand or three (3) Business Days after being sent by registered mail, return receipt requested, postage prepaid, and if given electronically shall be deemed given when transmitted (receipt electronically confirmed):

If to the City:

City of Oakland – Finance Department
150 Frank H. Ogawa, Suite 5330
Oakland, CA 94612-2093
Attention: Director of Finance/Treasurer
Telephone: (510) 238-2989
Facsimile: (510) 238-2137
E-mail: kkasaine@oaklandnet.com

If to the Bank:

Bank of America, N.A.
CA9-193-38-01
333 S Hope St, Suite 3820,
Los Angeles, CA 90071-1406
Telephone: 213-621-4971
Facsimile 213-457-8927
E-mail: jyoti.rathore@baml.com

or to such other address, telephone number or facsimile number as one party hereto shall notify to the other party hereto.

Section 7.10 Holidays. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 7.11 Survival. All representations, warranties, covenants and agreements of the City contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof shall continue in full force and effect until payment in full of the Obligations, it being understood that the agreements of the City found in Sections 2.04, 2.05, 2.08 and 7.07 hereof shall survive the termination of this Agreement and payment in full of the Obligations.

Section 7.12 USA PATRIOT Act Notification. The Bank hereby notifies the City that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Act. The City agrees to, promptly following a request by the Bank, provide all such other documentation and information that the Bank requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

Section 7.13 No Liability. The City agrees that none of the Bank, its officers, directors, employees and their agents shall have any liability or responsibility for the acts or omissions of the City in respect of its use of this Agreement or any amounts made available by the Bank hereunder. The Bank agrees that none of the City, its officers, City Council members, employees and their agents shall have any liability or responsibility for the acts or omissions of the Bank in respect of the performance of the Bank's obligations under this Agreement.

Section 7.14 No Advisory or Fiduciary Relationship. In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any Related Document), the City acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the City, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the Related Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the City, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the City with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the City. To the fullest extent permitted by law, the City, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized,
have executed and delivered this Agreement, effective as of the day and year first above written.

CITY OF OAKLAND

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.

By: _____

Name:

Title:

-Signature Page-

2019 NOTE PURCHASE AGREEMENT

EXHIBIT A

DEBT SERVICE SCHEDULE¹

| Payment Date | Principal | Interest | Total Debt Service |
|--------------------------------|--|-----------------|---------------------------|
| September 30, <u>27</u> , 2019 | \$ | \$ | \$ |
| December 30, <u>27</u> , 2019 | \$ | \$ | \$ |
| March 30, <u>27</u> , 2020 | \$ | \$ | \$ |
| June 30, <u>26</u> , 2020 | \$ | \$ | \$ |
| Total: | \$115,000,000.00 <u>\$120,000,000.00</u> | \$ | \$ |

¹ To be completed upon sizing and pricing.

4841-1458-8304.2
8304.3

EXHIBIT B

NOTICE OF PREPAYMENT

[insert date]

Bank of America, N.A.
800 5th Avenue
Mailcode WA1-501-35-11
Seattle, Washington 98104
Attention: Satinder Parwana
Telephone: (206) 358-6055
Email: satinder.parwana@baml.com

Ladies and Gentlemen:

The undersigned, City of Oakland, California (the "City"), refers to the Note Purchase Agreement, dated July __, 2019 (as amended from time to time, the "Agreement"; the terms defined therein being used herein as therein defined), between the undersigned and Bank of America, N.A. (the "Bank"), hereby gives you notice pursuant to Section 2.05 of the Agreement of a prepayment:

1. The Prepayment Date is _____, 20____, which date is a Business Day.
2. The aggregate amount in which the Note is to be prepaid on the Prepayment Date is \$_____.

The undersigned hereby certifies that the preceding statements are true on the date hereof, and will be true on the proposed Prepayment Date.

CITY OF OAKLAND

By: _____
Name:
Title:

EXHIBIT C

FORM OF PURCHASER LETTER

July __, 2019

City of Oakland – Finance Department
150 Frank H. Ogawa, Suite 5330
Oakland, CA 94612-2093
Attention: Director of Finance/Treasurer

Re: Purchaser Letter

Sir or Madam:

Reference is hereby made to that certain Note Purchase Agreement, dated July __, 2019 (as amended from time to time, the “Note Purchase Agreement”; the terms defined therein being used herein as therein defined), between the City of Oakland (the “City”) and Bank of America, N.A. (the “Bank”).

In connection with the Note Purchase Agreement, the Bank hereby represents, warrants to and agrees with the City that:

1. The Bank has authority to purchase the Note and to enter into the Note Purchase Agreement on a private placement basis without provision by the City of an official statement or other offering document;
2. The Bank has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the Note and is able to bear the economic risks of the Note;
3. The Note is being acquired by the Bank for its own account and not with a view to, or for resale in connection with, any distribution of the Note. The Bank intends to hold the Note for its own loan portfolio, and acknowledges that the Note is non-negotiable. Unless an Event of Default has occurred and is continuing, the Bank cannot transfer, sell, assign or create a participation in the Note prior to maturity to any Person other than an Affiliate of the Bank without the prior written consent of the City;
4. The Bank understands that the Note is not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Note (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (b) will not be listed on any stock or other securities exchange; (c) will not carry a rating from any rating service; and (d) will be delivered in a form which is nonnegotiable and, except as provided in paragraph 3 above, is non-transferable;
5. The Bank acknowledges that it has either been supplied with or been given access to information to which a reasonable investor would attach significance in making lending decisions, and the Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the financial condition of the City, the Note and the

security therefor so that, as a reasonable investor, the Bank has been able to make an informed decision to purchase the Note;

6. The Bank acknowledges that the obligation of the City to pay debt service on the Note is an obligation payable solely from Property Tax Revenues and Additional Revenues; and

7. The Bank has made its own inquiry and analysis with respect to the Note and the security therefor, and other material factors affecting the security and payment of the Note.

BANK OF AMERICA, N.A.

By: _____

Name:

Title:

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

[____], 2019

Bank of America, N.A.
CA9-193-38-01
333 S Hope St, Suite 3820,
Los Angeles, CA 90071-1406
Office: 213-621-4971
Fax: 213-457-8927
[jyoti.rathore@baml.com](mailto: jyoti.rathore@baml.com)

Reference is hereby made to that certain Note Purchase Agreement, dated July __, 2019 (as amended from time to time, the "Note Purchase Agreement"; the terms defined therein being used herein as therein defined), between the City of Oakland (the "City") and Bank of America, N.A. (the "Bank").

In accordance with Section 5.05(b) of the Note Purchase Agreement, enclosed herewith is the City's CAFR for Fiscal Year ended June 30, 2019 together with an opinion of the independent accountants who conducted the audit of the financial statements of the City contained in the CAFR.

In accordance with Section 5.05(c) of the Note Purchase Agreement, the undersigned, an Authorized Representative of the City, hereby certifies to the Bank that, as of the date hereof, (i) the City has complied with all of the terms, provisions and conditions of the Note Purchase Agreement and the other Related Documents, (ii) to the best of his/her knowledge, the City has kept, observed, performed and fulfilled each and every covenant, provision and condition of the Note Purchase Agreement and the other Related Documents on the City's part to be performed and (iii)² [no Default or Event of Default has occurred] OR [the following Default(s) or Event of Default(s) has(have) occurred]³.

The undersigned Authorized Representative has executed this Compliance Certificate this [____] day of [____], 2019-20__.

CITY OF OAKLAND

By: _____
Name: _____
Title: _____

² Select one of the applicable statements by deleting the inapplicable statement.

³ If this statement is selected, specify the period of each Default or Event of Default, the nature and status thereof and any remedial steps taken or proposed by the City to correct such Default or Event of Default.

Document comparison by Workshare 9 on Tuesday, April 16, 2019 4:50:30 PM

| Input: | |
|---------------|--|
| Document 1 ID | netdocuments://4841-1458-8304/2 |
| Description | City of Oakland - Note Purchase Agreement 2019 |
| Document 2 ID | netdocuments://4841-1458-8304/3 |
| Description | City of Oakland - Note Purchase Agreement 2019 |
| Rendering set | standard |

| Legend: | |
|---------------------------|--|
| <u>Insertion</u> | |
| Deletion | |
| Moved from | |
| <u>Moved to</u> | |
| Style change | |
| Format change | |
| Moved deletion | |
| Inserted cell | |
| Deleted cell | |
| Moved cell | |
| Split/Merged cell | |
| Padding cell | |

| Statistics: | |
|----------------|-------|
| | Count |
| Insertions | 52 |
| Deletions | 49 |
| Moved from | 0 |
| Moved to | 0 |
| Style change | 0 |
| Format changed | 0 |
| Total changes | 101 |