

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION AUTHORIZING AND APPROVING A THIRD SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE AND ISSUANCE THEREUNDER OF PORT OF OAKLAND INTERMEDIATE LIEN REFUNDING REVENUE BONDS 2017 SERIES D (PRIVATE ACTIVITY/AMT), 2017 SERIES E (GOVERNMENTAL/NON-AMT), 2017 SERIES F (PRIVATE ACTIVITY/NON-AMT) AND 2017 SERIES G (FEDERALLY TAXABLE) IN THE COMBINED AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$300,000,000; AUTHORIZING ENTRY INTO A BOND PURCHASE CONTRACT, AN ESCROW AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE ESTABLISHMENT OF CERTAIN ESCROW ACCOUNTS; AUTHORIZING REDEMPTION, DEFEASANCE OR PAYMENT AT MATURITY OF ALL PORT OF OAKLAND INTERMEDIATE LIEN REFUNDING REVENUE BONDS 2007 SERIES A, B AND C FROM SUCH ESCROW ACCOUNTS; APPROVING A CASH CONTRIBUTION TO ONE OR MORE ESCROW ACCOUNTS AND FOR OTHER PURPOSES; DELEGATING AUTHORITY TO OBTAIN BOND INSURANCE AND A RESERVE FUND SURETY AND TO MAKE CERTAIN INVESTMENTS; APPOINTING AUTHORIZED BOARD REPRESENTATIVES; AND AUTHORIZING CERTAIN RELATED ACTIONS.

WHEREAS the Board of Port Commissioners of the City of Oakland, California (the "Board" or the "Port") is authorized by Section 706(24) of the Charter of the City of Oakland to provide for the financing and refinancing of Port facilities through the issuance and sale of debt instruments payable exclusively from revenues and other assets of the Port; and

WHEREAS Ordinance No. 2858, adopted by the Board on February 21, 1989 (the "Procedural Ordinance"), provides that the debt instruments shall be issued and sold in such manner and upon such terms and conditions, and contain such provisions and covenants, as the Board shall fix and establish; and

WHEREAS the Board previously entered into an Intermediate Lien Master Trust Indenture, dated as of October 1, 2007, between the Board and U.S. Bank National Association, as trustee (the "Trustee") (as supplemented and amended to date, the "Intermediate Lien Master Trust Indenture"), which created an intermediate lien on Intermediate Lien Pledged Revenues (as defined therein) and provided, among other things,

for the terms and conditions for the issuance of Intermediate Lien Bonds (as defined therein) at such times and in such aggregate principal amounts as the Board may determine; and

WHEREAS the Board anticipates the need to refinance the costs of certain capital projects (the "Improvements") through the refunding of all or a portion of the currently outstanding Intermediate Lien Bonds, which includes its Port of Oakland Refunding Intermediate Lien Refunding Revenue Bonds, 2007 Series A (AMT), 2007 Series B (Non-AMT) and 2007 Series C (Non-AMT) (collectively, the "Prior Bonds"), and has further determined that it is in the best interests of the Port to provide funds for the refunding of the Prior Bonds through the issuance of Port of Oakland Intermediate Lien Refunding Revenue Bonds 2017 Series D (Private Activity/AMT) (the "Series D Bonds"), 2017 Series E (Governmental/Non-AMT) (the "Series E Bonds"), 2017 Series F (Private Activity/Non-AMT) (the "Series F Bonds") and 2017 Series G (Federally Taxable) (the "Series G Bonds") (the Series D Bonds, the Series E Bonds, the Series F Bonds and the Series G Bonds are collectively referred to herein as the "2017 Intermediate Lien Bonds"); and

WHEREAS there has been presented to this Board a form of the Third Supplemental Intermediate Lien Trust Indenture (the "Third Supplement"), between the Board and the Trustee, which, among other things, (i) includes certain amendments to the Intermediate Lien Master Trust Indenture and (ii) provides for the terms and conditions of the issuance and delivery of the 2017 Intermediate Lien Bonds and includes forms of the 2017 Intermediate Lien Bonds; and

WHEREAS this Resolution, together with the Intermediate Lien Master Trust Indenture as amended and supplemented from time to time, including as amended and supplemented by the Third Supplement, together constitute a "Resolution of Issue" within the meaning of the Procedural Ordinance; and

WHEREAS Section 2.11 of the Intermediate Lien Master Trust Indenture requires the preparation by an Authorized Board Representative (as defined below) or by the Board Consultants (as defined in the Intermediate Lien Master Trust Indenture) of a certificate indicating compliance with certain requirements of the Intermediate Lien Master Trust Indenture as a condition to the issuance of the 2017 Intermediate Lien Bonds and such a certificate shall be delivered in connection with such issuance; and

WHEREAS the Underwriters (as defined below) were selected through a competitive process pursuant to Port Ordinance No. 4321; and

WHEREAS there has been presented to this Board a form of a Bond Purchase Contract (the "Purchase Contract"), between the Board and Merrill Lynch, Pierce, Fenner and Smith Incorporated (or BofAML Securities, Inc.) for itself and as representative of Siebert Cisneros Shank & Co., LLC, Backstrom McCarley Berry & Co., LLC, Blaylock Van, LLC

and J.P. Morgan Securities LLC (collectively, the "Underwriters"), with respect to the purchase and sale of the 2017 Intermediate Lien Bonds; and

WHEREAS there has been presented to this Board a form of Preliminary Official Statement and a form of Continuing Disclosure Certificate relating to the issuance of the 2017 Intermediate Lien Bonds, and a form of Escrow Agreement by and between the Board and U.S. Bank National Association, as escrow agent thereunder (the "Escrow Agent") and as trustee of the Prior Bonds (the "Prior Bonds Trustee"); and

WHEREAS the Board has determined that it is in the best interest of the Port to make a cash contribution of not to exceed \$50,000,000 to be deposited into one or more accounts within the Escrow Fund (defined below) and to pay other costs and expenses associated with the transactions contemplated by this Resolution; and

WHEREAS the proposed terms of the Escrow Agreement and the Third Supplement provide in pertinent part that a portion of the proceeds obtained from the sale of the 2017 Intermediate Lien Bonds, plus (i) certain funds on deposit with the Trustee under the First Supplemental Intermediate Lien Trust Indenture dated as of October 1, 2007, by and between the Board and the Trustee ("First Supplement") and (ii) all or a portion of the additional cash to be contributed by the Board from its own moneys as authorized herein, shall all be transferred in trust to the Escrow Agent to be held in the Escrow Fund (the "Escrow Fund") created under the Escrow Agreement and used to effect the defeasance of and payment upon, as applicable, redemption and maturity of the Prior Bonds on such dates as described in the Escrow Agreement; and

WHEREAS the Reserve Fund Insurance Policy issued by MBIA Insurance Corporation currently on deposit in the 2007 Common Reserve Fund (as defined in the Intermediate Lien Master Trust Indenture) will survive the refunding of Prior Bonds and will continue to be applied towards the satisfaction of the 2007 Common Reserve Fund Requirement (as defined in the Intermediate Lien Master Trust Indenture); and

WHEREAS such documents presented to the Board appear to be in appropriate form and the terms are satisfactory to the Board, and the Board has determined that it is in the best interests of the Port to provide funds to refinance the Prior Bonds through the issuance of the 2017 Intermediate Lien Bonds; and

WHEREAS, the Board has reviewed and evaluated the Agenda Report dated June 8, 2017, Item 4.1 (the "Agenda Report") and related agenda materials, has received the expert testimony of Board staff, and has provided opportunities for and taken public comment.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. Recitals True and Correct. The Board hereby finds and declares that the foregoing recitals are true and correct.

2. Issuance of 2017 Intermediate Lien Bonds. For the purpose of providing funds to refund the Prior Bonds, the Board hereby authorizes the issuance of its Series D Bonds, Series E Bonds, Series F Bonds and Series G Bonds in the combined aggregate principal amount of not to exceed Three Hundred Million Dollars (\$300,000,000). In addition to the above described uses of the proceeds of the 2017 Intermediate Lien Bonds, a portion of such proceeds may be used to pay costs of issuance, to fund a common debt service reserve fund for the 2017 Intermediate Lien Bonds, if necessary, and for future Intermediate Lien Bonds to the extent such Intermediate Lien Bonds are so secured under the applicable supplemental indenture (and/or to pay the premium costs associated with a debt service reserve surety bond, if a surety bond is utilized) and to pay the premium costs for a municipal bond insurance policy or other credit or liquidity enhancement (collectively, "Credit Enhancements"), if it is determined that Credit Enhancement results in true interest or other cost savings to the Board.

Execution and delivery of the Third Supplement containing the maturities, the principal amounts and the interest rates, within the parameters set forth in this Resolution, shall constitute conclusive evidence of the Board's approval of such maturities, principal amounts and interest rates.

The 2017 Intermediate Lien Bonds shall bear interest at such rates with respect to the various maturities such that the true interest cost for the 2017 Intermediate Lien Bonds does not exceed four percent (4.0%) per annum on average and the final maturity of any of the 2017 Intermediate Lien Bonds shall not be later than November 1, 2029. The true interest cost shall be that rate which, when used in computing the present value of all payments of principal and interest to be paid on the 2017 Intermediate Lien Bonds (compounded on November 1, 2017, and semi-annually thereafter), produces an amount equal to the purchase price of the 2017 Intermediate Lien Bonds taking into account any original issue premium/discount, accrued interest, underwriter's discount or fee, any and all costs of issuance of the 2017 Intermediate Lien Bonds, and based on a year comprised of 360 days and twelve 30-day months.

The costs of issuance of the 2017 Intermediate Lien Bonds (including underwriters' discount, counsel fees, financial advisor fees, rating agency fees, and verification agent fee, among others) shall not exceed two percent (2%) of the aggregate principal amount of such bonds.

Based on market conditions at or before the time of pricing of the 2017 Intermediate Lien Bonds, one or more series of the 2017 Intermediate Lien Bonds may not be issued, but such failure to issue any one or more series of the 2017 Intermediate Lien Bonds shall not preclude the

issuance of any other series of 2017 Intermediate Lien Bonds. In the event that fewer than all series of 2017 Intermediate Lien Bonds are issued, the series designations of the 2017 Intermediate Lien Bonds that are issued may be changed from the designations set forth in this resolution so that the series that are issued are alphabetically consecutive to the Port's previously-issued series of Intermediate Lien Bonds.

3. Pledge to Secure the 2017 Intermediate Lien Bonds. The Board hereby approves the pledge of (a) the Intermediate Lien Pledged Revenues (as such term is defined in the Intermediate Lien Master Trust Indenture) on a parity with the other Intermediate Lien Bonds to be issued under the Intermediate Lien Master Trust Indenture, (b) certain other amounts pledged under the Intermediate Lien Master Trust Indenture and (c) certain amounts held in certain funds and accounts specified in the Intermediate Lien Master Trust Indenture and the Third Supplement, to secure the 2017 Intermediate Lien Bonds as set forth in the Intermediate Lien Master Trust Indenture and the Third Supplement. The Board further approves the designation of the 2017 Intermediate Lien Bonds as Common Reserve Fund Bonds (as defined in the First Supplement) secured by the 2007 Common Reserve Fund pursuant to the First Supplement on a parity with the other Common Reserve Fund Bonds.

4. Forms of 2017 Intermediate Lien Bonds. The 2017 Intermediate Lien Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the form or forms set forth in Exhibits A-1, A-2, A-3 and A-4 to the Third Supplement, with necessary or appropriate variations, omissions and insertions as permitted or required by the Intermediate Lien Master Trust Indenture or the Third Supplement or as appropriate to adequately reflect the terms of each series of the 2017 Intermediate Lien Bonds and the obligation represented thereby and with such changes therein (including any changes required by a provider of a Credit Enhancement in order to obtain Credit Enhancement with respect to the 2017 Intermediate Lien Bonds) as shall be approved by the officer or officers of the Port executing the same and the Port Attorney or his designee; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the forms of 2017 Intermediate Lien Bonds now before this meeting.

5. Execution of 2017 Intermediate Lien Bonds; Designation of Authorized Representatives. The 2017 Intermediate Lien Bonds shall be executed by the President of the Board or any Vice President of the Board and attested by the Secretary of the Board or his authorized designee. Any of such signatures may be placed manually on the 2017 Intermediate Lien Bonds or may be by facsimile and any facsimile signature shall be of the same force and effect as if such signature were manually placed on such 2017 Intermediate Lien Bonds. The Executive Director and the Chief Financial Officer, or the written designee of such officer, are hereby designated as Authorized Board Representatives under the Intermediate Lien Master Trust Indenture.

6. Approval of Documents, Authorization for Execution. The form, terms and provisions of the Third Supplement, the Escrow Agreement and the Continuing Disclosure Certificate (collectively, the "Documents") are in all respects approved, and any one or more of the President of the Board, any Vice President of the Board or any Authorized Board Representative are hereby authorized, empowered and directed to execute, acknowledge and deliver each of the Documents, including counterparts thereof, in the name and on behalf of the Board, subject to the approval of the Port Attorney or his designee. The Documents, as executed and delivered, shall be in substantially the forms now before this meeting and hereby approved, with such changes therein (including any changes required by a credit enhancer in order to obtain Credit Enhancement with respect to the 2017 Intermediate Lien Bonds) as shall be approved by the officer or officers of the Port executing the same and the Port Attorney or his designee; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the forms of the Documents now before this meeting; and from and after the execution and delivery of the Documents, the officers, agents and employees of the Board are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Documents.

7. Preliminary Official Statement. The form of the Preliminary Official Statement is in all respects approved. The distribution by the Underwriters of the Preliminary Official Statement in either printed format or through electronic means in connection with the offering and sale of the 2017 Intermediate Lien Bonds in substantially the form of the draft presented at this meeting, with such changes therein as shall be approved by the President of the Board, any Vice President of the Board, or any Authorized Board Representative, is hereby authorized and approved. The President of the Board, any Vice President of the Board or any Authorized Board Representative may deliver any supplements or amendments to the Preliminary Official Statement that such officer determines are necessary or in the best interest of the Board. The President of the Board, any Vice President of the Board, and any Authorized Board Representative, or any one of them, are hereby authorized and directed to "deem final" said Preliminary Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended.

8. Official Statement. Prior to the delivery of the 2017 Intermediate Lien Bonds, the Board shall provide for the preparation, publication, execution and delivery of an Official Statement relating to the 2017 Intermediate Lien Bonds in substantially the form of the draft Preliminary Official Statement presented to this meeting. The President of the Board, any Vice President of the Board, and any Authorized Board Representative, or any one of them, are hereby authorized and directed to execute and deliver the final Official Statement in the name and on behalf of the Board, and to make any changes

or revisions thereto, including any supplements or amendments thereto, necessary in order for the final Official Statement to meet the obligations and requirements of the Board under the Purchase Contract and this Resolution or otherwise determined by the President of the Board, any Vice President of the Board, or any Authorized Board Representative to be in the best interest of the Board. The execution and delivery thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Preliminary Official Statement now before this meeting. The Underwriters are hereby authorized to distribute the Official Statement in either printed format or through electronic means in such final form.

9. Sale of 2017 Intermediate Lien Bonds. The Board hereby authorizes the sale of the 2017 Intermediate Lien Bonds through a negotiated sale to the Underwriters due to market and credit considerations. The President of the Board, any Vice President of the Board or any Authorized Board Representative is hereby authorized to approve the final terms of the sale of the 2017 Intermediate Lien Bonds subject to the terms, conditions and restrictions set forth in this Resolution. The 2017 Intermediate Lien Bonds, if sold to the Underwriters, shall be sold with an underwriters' discount and/or underwriting fee as set forth in the Purchase Contract, not to exceed thirty-five hundredths of one percent (0.35%) of the aggregate principal amount of the 2017 Intermediate Lien Bonds, and subject to the terms and conditions set forth in the Purchase Contract. The form, terms and provisions of the Purchase Contract now before this Board are in all respects approved, and each of the President of the Board, any Vice President of the Board and any Authorized Board Representative is hereby authorized and empowered, either alone or in combination, to execute and deliver the Purchase Contract, including counterparts thereof, in the name and on behalf of the Board. The Purchase Contract, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, with such changes therein as shall be approved by the officer or officers executing the same and by the Port Attorney or his designee; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Purchase Contract now before this meeting; and from and after the execution and delivery of the Purchase Contract, the officers, agents and employees of the Board are hereby authorized, empowered and directed to do all such acts and things and to execute on behalf of the Board all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract.

10. Trustee and Escrow Agent. The Board hereby approves and ratifies the appointment of U.S. Bank National Association as Trustee under the terms of the Intermediate Lien Master Trust Indenture and the Third Supplement and as Escrow Agent under the terms of the Escrow Agreement.

11. Redemption and Defeasance Notices. Any Authorized Board Representative is hereby authorized and directed to deliver or cause to be delivered any notices required to be given in connection with the defeasance and redemption of the Prior Bonds.

12. Additional Authorization. The President of the Board and any Vice President of the Board, any Authorized Board Representative and all officers, agents and employees of the Board or the Port, for and on behalf of the Board, are hereby authorized and directed to do any and all things necessary or advisable to effect the issuance, execution (as appropriate) and delivery of the 2017 Intermediate Lien Bonds, the Documents, a tax and nonarbitrage certificate, the Preliminary Official Statement and final Official Statement and the Purchase Contract and to carry out the terms thereof. In addition, said persons are further authorized to take all actions and execute any and all documents necessary or advisable to arrange for Credit Enhancement for some or all of the 2017 Intermediate Lien Bonds (including any debt service reserve surety bond), if such Credit Enhancement will, upon the advice of the Port's financial advisor, result in true interest cost or other savings. Said officers and other persons are further authorized and directed, for and on behalf of the Board, to execute all papers, documents, certificates and other instruments that may be required before or after delivery of the 2017 Intermediate Lien Bonds in order to carry out the authority conferred or contemplated by this Resolution, the Third Supplement and the Intermediate Lien Master Trust Indenture. The foregoing authorization includes, without limitation, authority for an Authorized Board Representative to cause not more than \$50,000,000 of Port moneys to be deposited in one or more accounts within the Escrow Fund and to pay other costs and expenses associated with the transactions contemplated by this Resolution. The Port money deposited in the Escrow Fund, when combined with that portion of the proceeds of the 2017 Intermediate Lien Bonds specified in the Third Supplement and the transfer to the Escrow Fund of all remaining moneys held by the Trustee with respect to the Prior Bonds, is intended to be sufficient to defease the Prior Bonds, all as described in the Escrow Agreement.

13. Investments. The Authorized Board Representatives, and each one of them acting alone or in combination, are hereby authorized, for and in the name and on behalf of the Board, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, whether before or after the issuance of the 2017 Intermediate Lien Bonds, including but not limited to those described in the various documents and instruments herein approved, that they, or any of them, may deem necessary or advisable and in the best interest of the Board: (a) for the execution of any short-term or long-term investments and/or investment agreements authorized as "Permitted Investments" under the Intermediate Lien Master Trust Indenture with respect to the investment of moneys held in any funds and accounts under the Third Supplement or the Escrow Agreement, and (b) otherwise to accomplish the purposes described in this paragraph

or in the documents approved in accordance with this paragraph, and to accomplish the transactions contemplated in this paragraph, including, but not limited to, entering into appropriate agreements with a broker to select any such investment vehicles.

14. Severability. The provisions of this Resolution are hereby declared to be severable and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

15. Effective Date. The effective date of this Resolution shall be its date of adoption.

16. Ratification. Any and all acts and things heretofore taken or done by any Authorized Board Representative or any other officer or agent of the Board or their representatives in furtherance of the resolutions set forth herein are hereby ratified, adopted, confirmed, and approved in their entirety.

17. Resolution Not Evidence of Contract. This Resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This Resolution approves and authorizes the execution of agreements in accordance with the terms of this Resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this Resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to the other contracting party, there shall be no valid or effective agreement.

18. Independent Judgment. In acting upon the matters contained herein, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.