



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/22/99

AGENDA ITEM 4A

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Community and Economic Development

SUBJECT: Local Improvement District No. 17, Twin Bridges Community Park – Conduct a Public Hearing, Adopt the Engineer’s Report, and Order the Levy of Assessments

RECOMMENDATION:

It is recommended that the City Council:

- (i) Approve the Engineer’s Report, confirm the assessment, order the work and acquisitions, and direct actions with respect thereto; and
- (ii) Authorize the issuance and sale of bonds, approve and direct the execution of a fiscal agent agreement, and approve related documents and actions with respect thereto.

DISCUSSION:

On May 4, 1999, the City Council adopted a resolution of intention to form an assessment district to provide for the improvement of a community park within the Twin Bridges development. These hearings before Council complete the process for forming the improvement district and confirm the assessment.

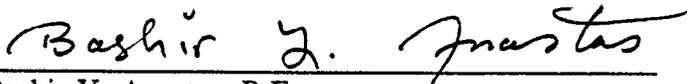
Property owners were provided a mail-in ballot and a separate, sealable envelope to vote on the assessments. To be included in the tabulation of the votes, ballots must be delivered to the City Clerk prior to the close of the public hearing tonight.

On May 27, 1999, staff held an informational meeting in the Twin Bridges development with residents and interested parties to help answer questions relating to the assessments. At that meeting, some residents expressed opposition to the assessment and the implementation of the park without their participation. Staff explained that the park, as a condition of the development, was conceived and approved prior to any residents moving in, and that the assessment is consistent with the disclosure that they signed prior to moving in. The disclosure by the developer indicated that the amount of annual assessment will be “approximately \$100” based on a 25 year financing of the assessment.

Presentation by HARD staff of the plans for the park and its future operation greatly alleviated the concerns expressed. Residents were further informed of the opportunity to participate in the annual budget process for the maintenance district, which sets the priorities for the operation of the park.

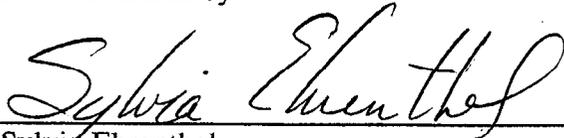
The proposed per parcel assessment for the improvement district is \$1,285.76. Each property owner has the option of financing the assessment over 25 years, through bond issuance, at an annual payment rate of approximately \$100, depending on the issue interest rate. The attached excerpts from the Engineer's Report provide additional information regarding the proposed assessments.

Prepared by:



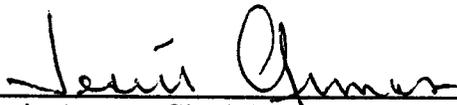
Bashir Y. Anastas, P.E.
Development Review Services Engineer

Recommended by:



Sylvia Ehrenthal
Director of Community and Economic Development

Approved by:



Jesus Armas, City Manager

Attachments:

Excerpts of Engineer's Report for Local Improvement District 17
Draft Resolution(s)

4.28.99

(EXCERPTS)

ENGINEER'S REPORT
FOR
LOCAL IMPROVEMENT DISTRICT NO. 17
(TWIN BRIDGES COMMUNITY PARK)

FISCAL YEAR 1999-2000

City of Hayward
777 "B" Street
Hayward, CA 94541-5007

Part II Cost Estimate

The following is the construction cost estimate for the construction and financing of the park improvements:

Table No. 1 - Detailed Project Cost Estimate Local Improvement District No. 17 (Twin Bridges Community Park) (City of Hayward)		
Item Description	Preliminary Costs	Confirmed Costs
EXPENDITURES		
I. Construction		
Park Construction	\$460,000	
Subtotal	\$460,000	
II. Design/Construction Admin.		
Design & Construction Inspection	\$25,000	
Subtotal	\$25,000	
III. Formation Costs		
Consultant Fees	\$8,700	
City Admin. Fees	\$6,400	
Legal Counsel	\$12,500	
Financial Consultant	\$10,000	
Printing, Advertising, Notices, etc.	\$2,500	
Bond Registrar and Paying Agent	\$7,000	
Bond and Official Statement Printing	\$4,000	
Contingency	\$2,000	
Subtotal	\$53,100	
IV. Financing Costs		
Capitalized Interest	\$4,410	
Cost of Issuance (2%)	\$8,820	
Appraisal	\$6,000	
Reserve Fund	\$33,684	
Subtotal	\$52,914	
TOTAL District Costs	\$591,014	
REVENUES		
I. Contributions		
a) City of Hayward	(\$75,000)	
b) HARD	(\$75,000)	
Subtotal	(\$150,000)	
II. Bond Revenue		
	(\$441,014)	
TOTAL District Revenues	(\$591,014)	

Part III Assessment Roll and Method of Assessment Spread

WHEREAS, on _____, 1999, the City Council of the CITY OF HAYWARD, State of California, did, pursuant to the provisions of the 1913 Act, the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code, of the State of California, adopt its Resolution of Intention No. _____, for the installation, construction and acquisition of certain public improvements, together with appurtenances and appurtenant work in connection therewith, in a special assessment district known and designated as

LOCAL IMPROVEMENT DISTRICT NO. 17 (Twin Bridges Community Park)

(hereinafter referred to as the "District"); and

WHEREAS, said Resolution of Intention, as required by law, did direct the Engineer of Work to make and file a "Report", consisting of the following as required by Section 10204 of the Act:

- a. Plans;
- b. Specifications;
- c. Cost Estimates;
- d. Assessment Diagram showing the District and the subdivisions of land therein;
- e. A proposed assessment of the costs and expenses of the works of improvement levied upon the parcels within the boundaries of the District; and
- f. The proposed maximum annual assessment to be levied upon each subdivision or parcel of land within the District to pay the costs incurred by the City and not otherwise reimbursed resulting from the administration and collection of assessments or from the administration and registration of any associated bonds and reserve or other related funds.

For particulars, reference is made to the Resolution of Intention as previously adopted.

NOW, THEREFORE, I, Bashir Anastas, pursuant to Article XIID of the California Constitution and the "Municipal Improvement Act of 1913", do hereby submit the following:

1. Pursuant to the provisions of law and the Resolution of Intention, I have assessed the costs and expenses of the works of improvement to be performed in the District upon the parcels of land in the District specially benefited thereby in direct proportion and relation to the estimated special benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the District Diagram, a copy of which is attached hereto.
2. As required by law, a District Diagram is hereto attached, showing the District boundaries, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within said District as the same existed at the time of the passage of said Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon said District Diagram and in said Assessment Roll.

3. The subdivisions and parcels of land, the numbers therein as shown on the respective District Diagram as attached hereto, correspond with the numbers as appearing on the Assessment Roll as contained herein.
4. NOTICE IS HEREBY GIVEN that bonds will be issued in accordance with Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), to represent all unpaid assessments, which bonds shall be issued not to exceed the legal maximum term as authorized by law, THIRTY-NINE (39) YEARS from the 2nd day of September next succeeding twelve (12) months from their date. Said bonds shall bear interest at a rate not to exceed the current legal maximum rate of 12% per annum.
5. By virtue of the authority contained in said "Municipal Improvement Act of 1913", and by further direction and order of the legislative body, I hereby recommend the following Assessment to cover the costs and expenses of the works of improvement for the District based on the costs and expenses as set forth below in Table No. 2:

Table No. 2 - Project Cost Summary			
Local Improvement Dist. No. 17 (Twin Bridges Community Park)			
(City of Hayward)			
Item	Description	Preliminary Costs	Confirmed Costs
	Construction Costs	\$460,000	
	Design/Construction Admin.	<u>\$25,000</u>	
	Subtotal	\$485,000	
	Contributions	<u>(\$150,000)</u>	
	Subtotal	\$335,000	
	Formation Costs	\$53,100	
	Financing Costs	<u>\$52,914</u>	
	Total	\$441,014	

For particulars as to the individual assessments and their descriptions, please refer to the Assessment Roll in Appendix "A" of this report.

The annual assessments for costs incurred by the City of Hayward and not otherwise reimbursed which resulted from the administration and collection of assessments or from the administration or registration of funds are estimated to be in a maximum amount of \$2,000 per year and are apportioned as follows: Each parcel with bonded debt within the District shall be allocated an equal share of these annual costs.

6. The Method of Spread of Assessment is as set forth in Exhibit "A", which is attached hereto, referenced and so incorporated.

Dated: _____, 1999

CITY OF HAYWARD

BASHIR ANASTAS, P.E.
R.C.E. No. C48748
DISTRICT ENGINEER

**LOCAL IMPROVEMENT DISTRICT NO. 17
(TWIN BRIDGES COMMUNITY PARK)
CITY OF HAYWARD,
COUNTY OF ALAMEDA
STATE OF CALIFORNIA
ASSESSMENT DIAGRAM LEGEND**

(1)		(2)		(3)		(4)	
Assessor's Parcel Number	Assessment Diagram Number						
078G 2652 002 00	2	078G 2652 091 00	91	078G 2653 019 00	180	078G 2654 021 00	269
078G 2652 003 00	3	078G 2652 092 00	92	078G 2653 020 00	181	078G 2654 022 00	270
078G 2652 004 00	4	078G 2652 093 00	93	078G 2653 021 00	182	078G 2654 023 00	271
078G 2652 005 00	5	078G 2652 094 00	94	078G 2653 022 00	183	078G 2654 024 00	272
078G 2652 006 00	6	078G 2652 095 00	95	078G 2653 023 00	184	078G 2654 025 00	273
078G 2652 007 00	7	078G 2652 096 00	96	078G 2653 024 00	185	078G 2654 026 00	274
078G 2652 008 00	8	078G 2652 097 00	97	078G 2653 025 00	186	078G 2654 027 00	275
078G 2652 009 00	9	078G 2652 098 00	98	078G 2653 026 00	187	078G 2654 028 00	276
078G 2652 010 00	10	078G 2652 099 00	99	078G 2653 027 00	188	078G 2654 029 00	277
078G 2652 011 00	11	078G 2652 100 00	100	078G 2653 028 00	189	078G 2654 030 00	278
078G 2652 012 00	12	078G 2652 101 00	101	078G 2653 029 00	190	078G 2654 031 00	279
078G 2652 013 00	13	078G 2652 102 00	102	078G 2653 030 00	191	078G 2654 032 00	280
078G 2652 014 00	14	078G 2652 103 00	103	078G 2653 031 00	192	078G 2654 033 00	281
078G 2652 015 00	15	078G 2652 104 00	104	078G 2653 032 00	193	078G 2654 034 00	282
078G 2652 016 00	16	078G 2652 105 00	105	078G 2653 033 00	194	078G 2654 035 00	283
078G 2652 017 00	17	078G 2652 106 00	106	078G 2653 034 00	195	078G 2654 036 00	284
078G 2652 018 00	18	078G 2652 107 00	107	078G 2653 035 00	196	078G 2654 037 00	285
078G 2652 019 00	19	078G 2652 108 00	108	078G 2653 036 00	197	078G 2654 038 00	286
078G 2652 020 00	20	078G 2652 109 00	109	078G 2653 037 00	198	078G 2654 039 00	287
078G 2652 021 00	21	078G 2652 110 00	110	078G 2653 038 00	199	078G 2654 040 00	288
078G 2652 022 00	22	078G 2652 111 00	111	078G 2653 039 00	200	078G 2654 041 00	289
078G 2652 023 00	23	078G 2652 112 00	112	078G 2653 040 00	201	078G 2654 042 00	290
078G 2652 024 00	24	078G 2652 113 00	113	078G 2653 041 00	202	078G 2654 043 00	291
078G 2652 025 00	25	078G 2652 114 00	114	078G 2653 042 00	203	078G 2654 044 00	292
078G 2652 026 00	26	078G 2652 115 00	115	078G 2653 043 00	204	078G 2654 045 00	293
078G 2652 027 00	27	078G 2652 116 00	116	078G 2653 044 00	205	078G 2654 046 00	294
078G 2652 028 00	28	078G 2652 117 00	117	078G 2653 045 00	206	078G 2654 047 00	295
078G 2652 029 00	29	078G 2652 118 00	118	078G 2653 046 00	207	078G 2654 048 00	296
078G 2652 030 00	30	078G 2652 119 00	119	078G 2653 047 00	208	078G 2654 049 00	297
078G 2652 031 00	31	078G 2652 120 00	120	078G 2653 048 00	209	078G 2654 050 00	298
078G 2652 032 00	32	078G 2652 121 00	121	078G 2653 049 00	210	078G 2654 051 00	299
078G 2652 033 00	33	078G 2652 122 00	122	078G 2653 050 00	211	078G 2654 052 00	300
078G 2652 034 00	34	078G 2652 123 00	123	078G 2653 051 00	212	078G 2654 053 00	301
078G 2652 035 00	35	078G 2652 124 00	124	078G 2653 052 00	213	078G 2654 054 00	302
078G 2652 036 00	36	078G 2652 125 00	125	078G 2653 053 00	214	078G 2654 055 00	303
078G 2652 037 00	37	078G 2652 126 00	126	078G 2653 054 00	215	078G 2654 056 00	304
078G 2652 038 00	38	078G 2652 127 00	127	078G 2653 055 00	216	078G 2654 057 00	305
078G 2652 039 00	39	078G 2652 128 00	128	078G 2653 056 00	217	078G 2654 058 00	306
078G 2652 040 00	40	078G 2652 129 00	129	078G 2653 057 00	218	078G 2654 059 00	307
078G 2652 041 00	41	078G 2652 130 00	130	078G 2653 058 00	219	078G 2654 060 00	308
078G 2652 042 00	42	078G 2652 131 00	131	078G 2653 059 00	220	078G 2654 061 00	309
078G 2652 043 00	43	078G 2652 132 00	132	078G 2653 060 00	221	078G 2654 062 00	310
078G 2652 044 00	44	078G 2652 133 00	133	078G 2653 061 00	222	078G 2654 063 00	311
078G 2652 045 00	45	078G 2652 134 00	134	078G 2653 062 00	223	078G 2654 064 00	312
078G 2652 046 00	46	078G 2652 135 00	135	078G 2653 063 00	224	078G 2654 065 00	313
078G 2652 047 00	47	078G 2652 136 00	136	078G 2653 064 00	225	078G 2654 066 00	314
078G 2652 048 00	48	078G 2652 137 00	137	078G 2653 065 00	226	078G 2654 067 00	315
078G 2652 049 00	49	078G 2652 138 00	138	078G 2653 066 00	227	078G 2654 068 00	316
078G 2652 050 00	50	078G 2652 139 00	139	078G 2653 067 00	228	078G 2654 069 00	317
078G 2652 051 00	51	078G 2652 140 00	140	078G 2653 068 00	229	078G 2654 070 00	318
078G 2652 052 00	52	078G 2652 141 00	141	078G 2653 069 00	230	078G 2654 071 00	319
078G 2652 053 00	53	078G 2652 142 00	142	078G 2653 070 00	231	078G 2654 072 00	320
078G 2652 054 00	54	078G 2652 143 00	143	078G 2653 071 00	232	078G 2654 073 00	321
078G 2652 055 00	55	078G 2652 144 00	144	078G 2653 072 00	233	078G 2654 074 00	322
078G 2652 056 00	56	078G 2652 145 00	145	078G 2653 073 00	234	078G 2654 075 00	323
078G 2652 057 00	57	078G 2652 146 00	146	078G 2653 074 00	235	078G 2654 076 00	324
078G 2652 058 00	58	078G 2652 147 00	147	078G 2653 075 00	236	078G 2654 077 00	325
078G 2652 059 00	59	078G 2652 148 00	148	078G 2653 076 00	237	078G 2654 078 00	326
078G 2652 060 00	60	078G 2652 149 00	149	078G 2653 077 00	238	078G 2654 079 00	327
078G 2652 061 00	61	078G 2652 150 00	150	078G 2653 078 00	239	078G 2654 080 00	328
078G 2652 062 00	62	078G 2652 151 00	151	078G 2653 079 00	240	078G 2654 081 00	329
078G 2652 063 00	63	078G 2652 152 00	152	078G 2653 080 00	241	078G 2654 082 00	330
078G 2652 064 00	64	078G 2652 153 00	153	078G 2653 081 00	242	078G 2654 083 00	331
078G 2652 065 00	65	078G 2652 154 00	154	078G 2653 082 00	243	078G 2654 084 00	332
078G 2652 066 00	66	078G 2652 155 00	155	078G 2653 083 00	244	078G 2654 085 00	333
078G 2652 067 00	67	078G 2652 156 00	156	078G 2653 084 00	245	078G 2654 086 00	334
078G 2652 068 00	68	078G 2652 157 00	157	078G 2653 085 00	246	078G 2654 087 00	335
078G 2652 069 00	69	078G 2652 158 00	158	078G 2653 086 00	247	078G 2654 088 00	336
078G 2652 070 00	70	078G 2652 159 00	159	078G 2653 087 00	248	078G 2654 089 00	337
078G 2652 071 00	71	078G 2652 160 00	160	078G 2654 001 00	249	078G 2654 090 00	338
078G 2652 072 00	72	078G 2652 161 00	161	078G 2654 002 00	250	078G 2654 091 00	339
078G 2652 073 00	73	078G 2652 162 00	162	078G 2654 003 00	251	078G 2654 092 00	340
078G 2652 074 00	74	078G 2652 163 00	163	078G 2654 004 00	252	078G 2654 093 00	341
078G 2652 075 00	75	078G 2652 164 00	164	078G 2654 005 00	253	078G 2654 094 00	342
078G 2652 076 00	76	078G 2652 165 00	165	078G 2654 006 00	254	078G 2654 095 00	343
078G 2652 077 00	77	078G 2652 166 00	166	078G 2654 007 00	255	078G 2654 096 00	344
078G 2652 078 00	78	078G 2652 167 00	167	078G 2654 008 00	256		
078G 2652 079 00	79	078G 2652 168 00	168	078G 2654 009 00	257		
078G 2652 080 00	80	078G 2652 169 00	169	078G 2654 010 00	258		
078G 2652 081 00	81	078G 2652 170 00	170	078G 2654 011 00	259	078G 2651 018 01	345
078G 2652 082 00	82	078G 2652 171 00	171	078G 2654 012 00	260	078G 2651 018 02	346
078G 2652 083 00	83	078G 2652 172 00	172	078G 2654 013 00	261	078G 2651 017 00	347
078G 2652 084 00	84	078G 2652 173 00	173	078G 2654 014 00	262	078G 2651 016 00	348
078G 2652 085 00	85	078G 2652 174 00	174	078G 2654 015 00	263	078G 2651 019 00	1
078G 2652 086 00	86	078G 2652 175 00	175	078G 2654 016 00	264		
078G 2652 087 00	87	078G 2652 176 00	176	078G 2654 017 00	265		
078G 2652 088 00	88	078G 2652 177 00	177	078G 2654 018 00	266		
078G 2652 089 00	89	078G 2652 178 00	178	078G 2654 019 00	267		
078G 2652 090 00	90	078G 2652 179 00	179	078G 2654 020 00	268		

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JW 6-16-99

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

DRAFT

Introduced by Council Member _____

RESOLUTION ADOPTING ENGINEER'S REPORT
FOR LOCAL IMPROVEMENT DISTRICT NO. 17,
CONFIRMING THE ASSESSMENT, ORDERING THE WORK
AND ACQUISITIONS AND DIRECTING ACTIONS
WITH RESPECT THERETO

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, on May 4, 1999, this Council adopted Resolution No. 99-064, A Resolution of Intention to Make Acquisitions and Improvements for Local Improvement District No. 17 ("District"), and in it directed the Engineer of Work to make and file a report in writing in accordance with and pursuant to the Municipal Improvement Act of 1913;

WHEREAS, the report was made and filed, and considered by this Council and found to be sufficient in every particular, whereupon it was determined that the report should stand as the Engineer's Report for all subsequent proceedings under and pursuant to the Resolution of Intention, and June 22, 1999 at the hour of 8:00 o'clock p.m., in the regular meeting place of this Council, City Council Chambers, 777 B Street, Hayward, California, was appointed as the time and place for a public hearing to take testimony and to receive protests, in relation to the proposed acquisitions and improvements, notices of which hearing were mailed as required by law; and

WHEREAS, the hearing was held, and all persons interested desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the acquisitions and improvements were fully heard and considered by this Council, and any protests, both written and oral, were duly heard, considered and overruled, and this Council thereby acquired jurisdiction to order the acquisitions and improvements and the confirmation of the diagram and assessment to pay the costs and expenses thereof.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF HAYWARD RESOLVES AS FOLLOWS:

1. No Majority Protest; Protests Overruled. The assessment ballots submitted by the owners of property within the District in favor of the assessment exceeded those submitted in opposition to the assessment. Any protests to the proposed District or to the assessments are hereby overruled.

2. Public Interest. The public interest, convenience and necessity require that the acquisitions and improvements be made.

3. District Described. The District benefitted by the acquisitions and improvements and to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by a map thereof filed in the office of the City Clerk, which map is made a part hereof by reference thereto.

4. Engineer's Report Approved. The Engineer's Report as a whole and each part thereof, are hereby approved and confirmed to wit:

- (a) the plans and specifications for the proposed improvements
- (b) the maps and descriptions of the lands and easements to be acquired, if any;
- (c) the engineer's estimate of the itemized and total costs and expenses of the acquisitions and improvements, and of the incidental expenses in connection therewith
- (d) the diagram showing the District and the boundaries and dimensions of the respective subdivisions of land within the District;
- (e) the assessment of the total amount of the costs and expenses of the proposed acquisitions and improvements upon the several subdivisions of land in the District in proportion to the estimated benefits to be received by the subdivisions, respectively, from the acquisitions and improvements, and of the expenses incidental thereto;
- (f) A proposed maximum annual assessment upon each of the several subdivisions of land in the District to pay costs incurred by this City and not otherwise reimbursed which result from the administration and collection of assessments or from the administration or registration of any associated bonds and reserve or other related funds.

When any portion or percentage of the costs and expenses of the acquisitions and improvements is to be paid from sources other than assessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of the acquisitions and improvements, and the assessment shall include only the remainder of the estimated cost and expenses.

5. Engineer's Report Reference. Final adoption and approval of the Engineer's Report as a whole, and of the plans and specifications, maps and descriptions of the lands and easements to be acquired, estimate of the costs and expenses, the diagram and the assessment, as contained in the Engineer's Report, as hereinabove determined and ordered, is intended to and shall refer and apply to the Engineer's Report, or any portion thereof, as amended, modified,

W
JM 6-16-99

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

DRAFT

Introduced by Council Member _____

RESOLUTION AUTHORIZING ISSUANCE OF LIMITED
OBLIGATION IMPROVEMENT BONDS FOR LOCAL
IMPROVEMENT DISTRICT NO. 17

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, this Council has conducted proceedings under and pursuant to Resolution of Intention No. 99-064, adopted May 4, 1999 (the "Resolution of Intention"), to form Local Improvement District No. 17 (Twin Bridges Community Park) (the "Assessment District"), to authorize the levy of special assessment upon the land within the Assessment District, and to issue bonds secured by said special assessment the proceeds of which are to be used to finance certain public improvements (the "Project"), all as described therein;

WHEREAS, pursuant to the Resolution of Intention, this Council has provided for the issuance of improvement bonds pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the "Bond Law");

WHEREAS, notice of the recordation of the assessments and the opportunity to pay all or a portion thereof will be duly given, and after the time for payment has expired and there will be on file with the Director of Finance a list of all the assessments which remain unpaid (the "List of Unpaid Assessments");

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of said bonds and the levy of said special assessment as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed or will have happened and will have been performed in due time, form and manner as required by the laws of the State of California, including the Bond Law;

NOW, THEREFORE, IT IS ORDERED as follows:

ARTICLE I
DEFINITIONS; GENERAL

Section 1.01. DEFINITIONS. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution and of any Supplemental Resolution and of the Bonds and of any certificate, opinion, request or other document herein mentioned, have

the meanings herein specified.

“Act” means the Municipal Improvement Act of 1913, as amended, being Division 12 of the California Streets and Highways Code.

“Assessment or Assessments” means the unpaid assessments levied within the Assessment District by the City Council under the proceedings taken pursuant to the Act and Resolution of Intention for the purpose of paying Debt Service on the Bonds.

“Assessment District” means the area within the City designated “Local Improvement District No. 17 (Twin Bridges Community Park)” formed by the City under the Act and the Resolution of Intention, the boundaries of which are as shown in a map thereof on file with the Clerk.

“Auditor” means the Auditor/Controller of the County or his designee.

“Authorized Investments” means any securities (other than those identified in paragraphs (a) and (d) of Section 53601 of the Government Code of the State) in which the City may legally invest funds subject to its control, pursuant to Article 1, commencing with Section 53600, of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as now or hereafter amended and the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code; but only to the extent that the same are acquired at Fair Market Value and that the same are permitted by the investment policy of the City.

“Authorized Officer” means the City Manager, the Director of Finance, or any other officer or employee authorized by the City Council of the City or authorized by an Authorized Officer, to undertake the action referenced in this Resolution as required to be undertaken by an Authorized Officer.

“Bond or Bonds” means the bonds designated “Limited Obligation Improvement Bonds, City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park),” at any time Outstanding under this Resolution.

“Bond Counsel” means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Date” means the dated date of the Bonds which is the Closing Date.

“Bond Law” means the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code.

“Bond Register” means the books maintained by the Paying Agent pursuant to Section 2.08

for the registration and transfer of ownership of the Bonds.

“Bond Year” means the twelve-month period beginning on September 2 in each year and ending on September 1 in the following year except that (i) the first Bond Year shall begin on the Closing Date and end on the next September 1, and (ii) the last Bond Year may end on a prior redemption date.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Paying Agent has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

“City” means the City of Hayward, a charter city and political subdivision of the State of California.

“City Council” means the City Council of the City.

“Clerk” means the City Clerk, or designee thereof.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs for the Bonds and the Official Statement, costs of reproducing and binding documents, closing costs, appraisal costs, filing and recording fees, fees and expenses of the City, initial fees and charges of the Paying Agent including its first annual administration fee, expenses incurred by the City in connection with the formation of the Assessment District and the issuance of the Bonds, Bond (underwriter's) discount, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Account” means the account within the Improvement Fund designated “City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds, Costs of Issuance Account” established and administered under Section 4.05 hereof.

“County” means the County of Alameda, State of California.

“Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

“Depository or Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax - (516) 227-4039 or 4190; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax - (215) 496-5058; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer's Certificate delivered to the Fiscal Paying Agent.

“Director of the Finance” means the Director of Finance of the City or designee thereof.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Auditor:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of

beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Information Services” means Financial Information, Inc.'s “Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' Called Bond Service, 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service Municipal and Government,” 99 Church Street, New York, New York 10007, Attention: Municipal News Reports; Standard & Poor's Corporation “Called Bond Record,” 25 Broadway, 3rd Floor, New York, New York 10004; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the City may designate in an Officer's Certificate delivered to the Paying Agent.

“Improvement Fund” means the fund designated “City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds, Improvement Fund,” established and administered under Section 4.02 hereof.

“Interest Payment Dates” means March 2 and September 2 of each year, commencing March 2, 2000.

“Maximum Annual Debt Service” means the largest Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Original Purchaser” means the first purchaser of the Bonds from the City.

“Officer's Certificate” means a written certificate of the City signed by an Authorized Officer of the City.

“Outstanding” when used as of any particular time with reference to Bonds, means, subject to the provisions of Section 8.04, all Bonds except:

- (i) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bond Owner” means the registered owner of any Outstanding Bond as shown on the Bond Register of the Paying Agent under Section 2.08 hereof.

“Paying Agent” means Dai-Ichi Kangyo Bank of California, acting as the registrar, transfer agent, and paying agent for the Bonds, and any other corporation or association which may at any time be substituted in its place by the City as Paying Agent.

“Prepayment Account” means the account within the Redemption Fund and designated “City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds, Prepayment Account,” established and administered under Section 4.04 hereof.

“Project” means the acquisitions and improvements described in the Resolution of Intention.

“Record Date” means the fifteenth day of the calendar month immediately preceding the applicable Interest Payment Date.

“Redemption Fund” means the fund designated “City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds, Redemption Fund,” established and administered under Section 4.04 hereof.

“Redemption Premium” means that percent of the principal amount of the Bonds called for redemption pursuant to Section 2.14 as determined upon the sale thereof to the Original Purchaser.

“Reserve Fund” means the fund designated “City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds, Reserve Fund,” established and administered under Section 4.03 hereof.

“Reserve Requirement” means as of any date of calculation, an amount not to exceed the least of (a) Maximum Annual Debt Service on the Outstanding Bonds (b) 125% of average annual Debt Service or ten percent (10%) of the total of the proceeds of the Bonds deposited under Section 4.02 hereof.

“Resolution of Intention” means Resolution No.99-064, adopted by the City Council on May 4, 1999.

“Resolution of Issuance” means Resolution No. 99-____, adopted by the City Council on June 22, 1999.

“Treasurer” means the Treasurer of the City or his designee.

Section 1.02. RULES OF CONSTRUCTION. All references in this Resolution to “Articles”, “Sections”, and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; and the words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 1.03. EQUAL SECURITY. In consideration of the acceptance of the Bonds by the Owners thereof, this Resolution shall be deemed to be and shall constitute a contract between the City and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II ISSUANCE OF BONDS

Section 2.01. BONDS AUTHORIZED. All acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and the City is now authorized pursuant to each and every requirement of law to issue the Bonds in the manner and form as in this Resolution provided. The Bonds will be issued as serial bonds, and/or term bonds as determined upon the sale thereof to the Original Purchaser.

Section 2.02. UNPAID ASSESSMENTS. The assessments remaining unpaid will be as shown on said list of unpaid assessments on file with the Director of Finance which is hereby approved and is incorporated herein by this reference and made a part hereof. For a particular description of the lots or parcels of land bearing the respective assessment numbers set forth in said list, reference is hereby made to the assessment and to the diagram, and any amendments thereto recorded in the office of the Superintendent of Streets after confirmation thereof by the City Council.

Section 2.03. ISSUANCE OF BONDS. The Bonds, in the aggregate principal amount of not to exceed \$ _____, shall be issued as hereinafter provided upon the security of said unpaid assessments in accordance with, under and pursuant to the provisions of said Resolution of Intention and the proceedings thereunder duly had and taken. The Bonds shall be known as "Limited Obligation Improvement Bonds, City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park)."

Section 2.04. MATURITIES OF BONDS. The Bonds shall be issued in only fully registered form, without coupons, in the Bond denomination of \$5,000 or any integral multiple thereof, except that one Bond may be in any odd amount, so long as no Bond shall have more than one maturity date. The Bonds shall be dated with the Bond Date and mature on September 2 in each of the years and in the amounts as determined upon the sale thereof to the Original Purchaser. The Bonds shall be numbered or otherwise identified as determined by the Paying Agent.

Section 2.05. INTEREST ON BONDS. The Bonds shall bear interest at the rate or rates as determined upon the sale thereof to the Original Purchaser.

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Paying Agent mailed to the Owner, at the address of such Owner as it appears on the Bond Registration Books. Principal of and premium (if any) on any Bond shall be paid upon presentation and surrender thereof at the office(s) of the Paying Agent in Los Angeles, California. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

The Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication of the Bonds (except for any Bond which is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such date of authentication, and except for any Bond which is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from the Bond Date); provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the date to which interest has previously been paid or made available for payment in full.

Section 2.06. DESIGNATION OF PAYING AGENT. Dai-Ichi Kangyo Bank of California, is hereby designated as the Paying Agent to perform the actions and duties required under this Resolution for the authentication, transfer, registration, and payment of the Bonds. The Authorized Officer is hereby authorized and directed to enter into agreements with the Paying Agent in furtherance of the actions and duties of the Paying Agent under this Resolution.

Section 2.07. FORM OF BONDS. The Bonds, the form of Paying Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective form set forth in Exhibit A attached hereto and hereby made a part hereof, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and applicable law.

Section 2.08. PREPARATION AND DELIVERY OF BONDS. Upon the approval of sale of the Bonds by the Authorized Officer, the Authorized Officer is hereby directed to cause the Bonds to be prepared in accordance with this Resolution and to cause their delivery upon their completion and execution to the Paying Agent who shall authenticate and deliver the Bonds to the Original Purchaser, upon receipt of the purchase price therefor, and upon receipt of the request of the City.

Section 2.09. EXECUTION OF BONDS. The Bonds shall be signed in the name and on behalf of the City with the manual or facsimile signatures of the Treasurer and attested by the manual or facsimile signature of the Clerk. The Bonds shall then be delivered to the Paying Agent for authentication by it. In case any officer who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Paying Agent or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the City as though the individual who signed the same had continued to be such officer of the City. Also, any Bond may be signed on behalf of the City by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, manually executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution. The Paying Agent's certificate of authentication on any Bonds shall be deemed to be executed by it if signed by an authorized officer or signatory of the Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.10. TRANSFER AND EXCHANGE OF BONDS. Any Bond may, in accordance with its terms, be transferred upon the Bond Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Whenever any Bond shall be surrendered for transfer, the Paying Agent shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. Bonds may be exchanged at the office(s) of the Paying Agent in Los Angeles, California, for Bonds of the same tenor and

maturity and of other authorized denominations. No Bonds the notice of redemption of which has been given pursuant to Section 2.14 shall be subject to transfer or exchange pursuant to this Section. Neither the City nor the Paying Agent shall be required to make such exchange or registration or transfer of Bonds during the fifteen (15) days immediately preceding any Interest Payment Date.

Section 2.11. TEMPORARY BONDS. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the officers designated and in the manner provided in Section 2.09 hereof and be registered and authenticated by the Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the office(s) of the Paying Agent, and the Paying Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds authenticated and delivered hereunder.

Section 2.12. BOND REGISTRATION BOOKS. The Paying Agent will keep or cause to be kept at its office(s) sufficient Bond Registration Books for the registration and transfer of the Bonds, which shall at all times during regular business hours be open to inspection by the City; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

Section 2.13. BONDS MUTILATED, LOST, DESTROYED OR STOLEN. If any Bond shall become mutilated, the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be cancelled by it and delivered to, or upon the order of, the City. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and the Paying Agent and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent). The City may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses which may be incurred by the City and the Paying Agent. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the City

whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds secured by this Resolution.

Section 2.14. REDEMPTION PRIOR TO MATURITY.

(a) General.

(i) Optional Redemption. Each Outstanding Bond, or any portion of the thereof in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date in any year by giving at least 30 days written notice to the Owner thereof by first-class mail or by personal service and by paying the principal amount thereof together with the Redemption Premium thereon plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law.

(ii) Mandatory Sinking Fund Redemption. The Bonds designated as Term Bonds upon the sale thereof to the Original Purchaser (the "Term Bonds" shall also be subject to mandatory redemption in part by lot, from Sinking Fund Payments made from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, all as set forth in the bond purchase contract with the Original Purchaser; provided, however, if some but not all of the Term Bonds of a given maturity have been redeemed pursuant to (a)(i) above the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of \$5,000 as determined by the Paying Agent, notice of which determination shall be given by the Paying Agent to the City.

The Director of Finance shall notify the Paying Agent of Bonds to be called for redemption upon prepayment of Assessments in amounts sufficient therefor, or whenever sufficient surplus funds are available therefor in the Redemption Fund. The Paying Agent shall select Bonds for retirement in such a way that the ratio of Outstanding Bonds to issued Bonds shall be approximately the same in each annual series or maturity insofar as possible. Within each annual series or maturity, the Paying Agent shall select Bonds for retirement by lot. The provisions of Part 11.1 of the Bond Law are applicable to the advance payment of Assessments and to the calling of the Bonds. The Director of Finance shall advise the Paying Agent of such provisions to the extent not specified herein.

(b) Notice to Agent. The Director of Finance shall give the Paying Agent written notice of the aggregate amount of Bonds to be redeemed pursuant to subsection (a) not less than forty-five (45) days prior to the applicable redemption date.

(c) **Redemption Procedure by Paying Agent.** The Paying Agent shall cause notice of any redemption to be mailed as provided herein, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Office of the Paying Agent. The Paying Agent shall also cause notice of redemption to be mailed to the Securities Depositories and to one or more of the Information Services at least one day earlier than the giving of notice to the Owners as aforesaid; provided, however, such mailing to the Securities Depositories and Information Services shall not be a condition precedent to such redemption and failure to so mail or of any person or entity to receive any such notice, or any defect in any notice of redemption, shall not affect the validity of the proceeding for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, and shall state that further interest on such Bonds, or the portion thereof to be redeemed, will not accrue from and after the redemption date.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Upon surrender of Bonds redeemed in part only, the City shall execute and the Paying Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(d) **Effect of Redemption.** From and after the date fixed for redemption, if funds available for the payment of the principal, interest and any premium on, the Bonds so called for redemption shall have been deposited in the Redemption Fund on the date fixed for redemption, such Bonds so called shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed by the Paying Agent pursuant to this Section 2.14 shall be canceled by the Agent. The Paying Agent shall destroy the canceled Bonds and, upon request of the City, issue a certificate of destruction of such Bonds to the City.

Section 2.15. REFUNDING OF BONDS. The Bonds may be refunded by the City pursuant to Divisions 11 or 11.5 of the Streets and Highways Code of California upon the conditions as set forth in appropriate proceedings therefor, all as determined by the City.

Section 2.16. BOOK-ENTRY SYSTEM.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Bond Register in the name of Cede & Co. (the "Nominee"). Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Bond Register.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the City and the Paying Agent shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the City holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Register, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The City and the Paying Agent may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Paying Agent shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the City to make payments of principal, interest and premium, if any, pursuant to this Resolution. Upon delivery by the Depository to the nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the City shall promptly deliver a copy of

the same to the Paying Agent.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the City and the Paying Agent shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the City or the Paying Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. The Paying Agent agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Paying Agent. In addition to the execution and delivery of such letter, the City may take any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the City determines to terminate the Depository as such, then the City shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the City and the Paying Agent in the issuance of replacement Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Paying Agent on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the City fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article 2. Prior to its termination, the Depository shall furnish the Paying Agent with the names and addresses of the Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III SALE AND DELIVERY OF BONDS

Section 3.01. SALE OF BONDS. The Bonds shall be sold to the Original Purchaser pursuant to a bond purchase contract approved by a separate Resolution of the City Council.

Section 3.02. FURTHER AUTHORITY. The officers of the City are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

ARTICLE IV APPLICATION OF PROCEEDS OF BONDS; ESTABLISHMENT OF FUNDS

Section 4.01. APPLICATION OF PROCEEDS OF SALE OF BONDS. Upon receipt of the proceeds of sale of the Bonds on the Closing Date, the proceeds thereof shall be forthwith set aside, paid over and deposited by the Director of Finance, as set forth in a Certificate of the City and this Article IV.

Section 4.02. IMPROVEMENT FUND. A separate fund known as the "City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds Improvement Fund" (the "Improvement Fund") is hereby created to be held by the Director of Finance. The Director of Finance shall disburse moneys in the Improvement Fund for the purpose of paying or reimbursing the costs of acquiring and constructing the Project, including but not limited to all costs incidental to or connected with such acquisition and construction: Disbursements from the Improvement Fund shall be subject to the provisions of Sections 5.09 and 5.10 hereof. Any surplus remaining after payment of all said costs and expenses shall be used as set forth in the proceedings pursuant to the Resolution of Intention and applicable provisions of the Act and the Improvement Fund shall be closed.

Section 4.03. RESERVE FUND. There is hereby created a special fund known as the "City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds Reserve Fund" (the "Reserve Fund"). The Reserve Fund shall be initially established in the amount as set forth in a Certificate of the City on the Closing Date. The moneys in the Reserve Fund shall constitute a trust fund for the benefit of the Owners of the Bonds and shall be administered by the Director of Finance in accordance with and pursuant to the provisions of Part 16 of the Bond Law; provided that proceeds from redemption or sale of the properties with respect to which payment of delinquent assessments and interest thereon was paid from the Reserve Fund, shall be credited to the Reserve Fund; and provided further that all proceeds from investment of moneys in the Reserve Fund in excess of the Reserve Requirement shall be transferred to the Redemption Fund.

Section 4.04. REDEMPTION FUND. There is hereby created a special fund known as the "City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds Redemption Fund" (the "Redemption Fund"). The Redemption Fund shall be held in trust by the Director of Finance. The Director of Finance shall

place in the Redemption Fund any amounts of premium received upon the sale of the Bonds and all sums received from the collection of unpaid assessments provided in Section 5.01 hereof, and of the interest and penalties thereon.

Within the Redemption Fund there is hereby established the following, separate account to be held in trust by the Director of Finance for the benefit of the City and the Owners :

(i) The Prepayment Account, which shall be used exclusively for the administration of any prepayments of Assessments pursuant to Section 8767 of the Bond Law to assure the timely redemption of Bonds. In the event all of the Assessments are prepaid in full, the Prepayment Account shall be closed.

Section 4.05. COST OF ISSUANCE ACCOUNT. There is hereby created within the Improvement Fund, a special account to be known as the "City of Hayward, Local Improvement District No. 17 (Twin Bridges Community Park), Limited Obligation Improvement Bonds Cost of Issuance Account" (the "Cost of Issuance Account"), which the City hereby covenants and agrees to cause to be maintained and which shall be held by the Director of Finance. The moneys in the Cost of Issuance Account shall be used in the manner provided by law solely for the purpose of the payment of Costs of Issuance, on or after the Closing Date. Any funds remaining in the Cost of Issuance Fund on the date that is six months after the Closing Date, shall be transferred to the Improvement Fund.

Section 4.06. INVESTMENT OF FUNDS. Moneys in the Improvement Fund, Redemption Fund, and the Reserve Fund shall, whenever practicable, be invested in Authorized Investments, maturing on a date prior to which such moneys are expected to be required. Any income therefrom or interest thereon shall accrue to and be deposited in the fund from which said moneys were invested, subject to the provisions of Section 5.08 hereof.

(A) Except as otherwise provided in subsection (B) of this Section, the City covenants that all investments of amounts deposited in any fund or account under this Resolution, or otherwise containing gross proceeds of the Bonds (under section 148 of the Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Resolution or the Code) at Fair Market Value.

(B) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valued at least annually) investments in the Reserve Fund shall be valued at their present value (under section 148 of the Code).

ARTICLE V
COVENANTS OF THE DISTRICT; TAX COVENANTS

Section 5.01. **COLLECTION OF UNPAID ASSESSMENTS.** The City shall comply with all requirements of the Act, the Bond Law and this Agreement to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent assessments. To that end, the following shall apply:

(A) The Assessments as set forth on the list thereof on file with the Director of Finance together with the interest thereto, shall be payable in annual series corresponding in number and proportionate amount to the number of installments and principal amounts of the Bonds maturing or becoming subject to mandatory prior redemption under Section 2.03 hereof. An annual proportion of each Assessment shall be payable in each Fiscal Year preceding the date of maturity or mandatory prior redemption date of each of the Bonds issued sufficient to pay the Bonds when due and such proportion of each Assessment coming due in any year, together with the annual interest thereon, shall be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interests after delinquency as do the general taxes on real property. All sums received from the collection of the Assessments and of the interest and penalties thereon shall be transferred to the Fiscal Agent for deposit in the Redemption Fund.

(B) The Director of Finance shall, before the final date on which the Auditor will accept the transmission of the Assessments for the parcels within the Assessment District for inclusion on the next tax roll, prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. The Director of Finance is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder and in reconciling Assessments billed to amounts received as provided in the Subsection (C) of this Section 5.01.

(C) In addition to any amounts authorized pursuant to section 8682 of the Bond Law to be included with the annual amounts of installments as aforesaid, the City, pursuant to section 8682.1 of the Bond Law, may cause to be entered on the assessment roll on which taxes will next become due, opposite each lot or parcel of land within the Assessment District in the manner set forth in said section 8682, each lot's pro rata share of the estimated annual expenses of the City in connection with the administrative duties thereof for the Bonds, including, but not limited to, the costs of registration, authentication, transfer and compliance with the provisions of Article V hereof. Delinquent Assessments shall be subject to foreclosure pursuant to Section 5.02 hereof.

Section 5.02. FORECLOSURE. The City hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive of the Bond Law and the conditions specified in this Section 5.02. The Director of Finance shall notify the City Attorney of any such delinquency of which the Director of Finance is aware, and the City Attorney shall commence, or cause to be commenced, such foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The following conditions shall apply to the foreclosure proceedings which shall be commenced within 60 days of any of the following determinations which shall be made by the Director of Finance on or as quickly as practicable after July 1 of each Fiscal Year:

(A) If the Director of Finance determines that there is a delinquency of an Assessment of \$500 or more for a prior Fiscal Year or Years for any single parcel of land in the Assessment District.

(B) If the Director of Finance determines that the total amount of delinquent Assessments for the prior Fiscal Year for the entire Assessment District, less the total delinquencies under subsection (A) above, exceeds five percent (5%) of the total Assessments due and payable in the prior Fiscal Year, foreclosure shall be commenced against each parcel of land in the Assessment District with a delinquency of \$250 or more for the prior Fiscal Year or Years.

(C) If the Director of Finance determines that the total amount of delinquent Assessment for the prior Fiscal Year for the entire Assessment District, less the total delinquencies under subsections (A) and (B) above, exceeds three percent (3%) of the total Assessments due and payable for the prior Fiscal Year, foreclosure shall be commenced against each parcel of land within the Assessment District with any amount of delinquency for the prior Fiscal Year or Years.

Section 5.03. NO ADVANCES FROM AVAILABLE SURPLUS FUNDS. The City shall not be obligated to advance Available Surplus Funds of the City to cure any deficiency which may occur in the Redemption Fund.

Section 5.04. PUNCTUAL PAYMENT; COMPLIANCE WITH DOCUMENTS. The City shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Resolution, and will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and all Supplemental Resolutions.

Section 5.05. NO PRIORITY FOR ADDITIONAL OBLIGATIONS. The City covenants that no additional bonds or other obligations shall be issued or incurred having any priority over

the Bonds in payment of principal or interest out of the Assessments. Nothing in this Resolution shall prohibit or impair the authority of the City to issue bonds or other obligations secured by and payable from Assessments which are on a parity with the Bonds, upon such terms and in such principal amounts as the City may determine.

Section 5.06. PRIVATE ACTIVITY BOND LIMITATION. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.07. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.08. REBATE REQUIREMENT. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 5.09. NO ARBITRAGE. The City shall not take, or permit or suffer to be taken by the Treasurer or the Director of Finance or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.10. MAINTENANCE OF TAX EXEMPTION. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 5.11. FURTHER ASSURANCES. The City Council will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Resolution.

Section 5.12. AMENDMENT. Without the consent of the Owners of the Bonds, the City hereafter may amend this Resolution to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 5.13. YIELD OF THE BONDS. In determining the yield of the Bonds to comply with Sections 5.08 and 5.09 hereof, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of

the Closing Date, regarding prepayments of Assessments and use of prepayments for redemption of the Bonds, without regard to whether or not prepayments are received or Bonds redeemed.

ARTICLE VI MISCELLANEOUS

Section 6.01. FUNDS AND ACCOUNTS. Any fund or account required by this Resolution to be established by the Director of Finance or the Paying Agent and held and maintained by the Director of Finance or the Paying Agent may be established and maintained in the accounting records of the Director of Finance or the Paying Agent either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 6.02. PARTIAL INVALIDITY. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed on the part of the City, the City Council or the Paying Agent should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Resolution or of the Bonds; but the Owner shall retain all the rights and benefits accorded to them under applicable provisions of law. The City Council hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, and would have authorized the issuance of the Bonds pursuant hereto, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof, to any person or circumstances may be held to be unconstitutional, unenforceable or invalid.

Section 6.03. DEFEASANCE. The Bonds shall no longer be deemed to be outstanding and unpaid if the City shall have made adequate provision for the payment, in accordance with the Bonds and this Resolution, of the principal, interest and premiums, if any, to become due thereon at maturity or upon call and redemption prior to maturity. Such provision shall be deemed to be adequate if the City Council shall, on behalf of the Assessment District, have irrevocably set aside, in a special trust fund or account, cash or Federal Securities which when added to the interest earned or to be earned thereon shall be sufficient to make said payments as they become due and to redeem any Bonds Outstanding on the earliest possible redemption date.

Section 6.04. REPEAL OF INCONSISTENT RESOLUTIONS. Any resolution of the City Council, and any part of such resolution, inconsistent with this Resolution, is hereby repealed to the extent of such inconsistency.

Section 6.05. AUTHORITY OF DIRECTOR OF FINANCE AND TREASURER. All actions mandated by this Resolution to be performed by the Director of Finance may be performed by the designee thereof or such other official of the City or independent contractor, consultant or trustee duly authorized by the City to perform such action or actions in furtherance of all or a specific portion of the requirements hereof.

Section 6.06. CERTIFIED COPIES. The Director of Finance shall furnish a certified copy of this resolution to the Paying Agent and to the Director of Finance.

Section 6.07. EFFECTIVE DATE OF THE RESOLUTION. This Resolution shall become effective upon the date of its adoption.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1999

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
City Clerk of the City Of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

bond, principal, redemption premiums, if any, and interest shall be paid by the City to DTC, or such successor depository, by wire transfer; provided that principal and redemption premiums, if any, shall be paid upon surrender to the City, as the corporate trust office of Dai-ichi Kangyo Bank of California as Authentication Agent, Registrar, Transfer and Paying Agent (the "Agent"), Los Angeles, California, of matured bonds or bonds called for redemption prior to maturity. As to any registered owner hereof other than DTC or successor depository, the principal and redemption premiums, if any, shall be payable at the office of the Agent specified above and interest shall be paid by check, draft or warrant mailed to DTC, or any successor depository, or in the event of termination of the book entry system, to the registered owner hereof at the registered owner's address as it appears on the records of the Agent, or at such address as may have been filed with the Agent, for that purpose, as of the 15th day of the calendar month immediately preceding each Interest Payment Date.

This bond will continue to bear interest after maturity at the rate above stated; provided it is presented at maturity and payment thereof is refused upon the sole ground that there are not sufficient moneys in the redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This bond shall not be entitled to any benefit under the Act, the Resolution No. 99-___ adopted by the City on June 22, 1999 (the "Resolution of Issuance) or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Agent.

This bond is one of several annual series of bonds of like date, tenor, and effect, but differing in amounts, maturities and interest rates, issued by the City under the Act, the Resolution of Issuance for the purpose of providing means for paying for the improvements described in the proceedings, and is secured by the moneys in the redemption fund and by the unpaid portion of assessments made for the payment of those improvements, and, including principal and interest, is payable exclusively out of the redemption fund.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Agent, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon such transfer, a new registered bond or bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership, or a trust.

Neither the City nor the Agent shall be required to make such exchange or registration of transfer of bonds during the 15 days of the calendar month immediately preceding any Interest Payment Date.

The City and the Agent may treat the registered owner hereof as the absolute owner for all purposes, and the City and the Agent shall not be affected by any notice to the contrary.

This bond or any portion of it in the amount of five thousand dollars (\$5,000), or any integral multiple thereof, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered or certified mail or personal service to the registered owner hereof at the registered owner's address as it appears on the registration books of the Agent and by paying principal and accrued interest.

Bonds maturing on September 2, _____ are subject to mandatory sinking fund redemption beginning on September 2, _____ as follows:

Sinking Fund Redemption Date <u>September 2)</u>	Principal Amount <u>To Be Redeemed</u>
--	---

Bonds maturing on September 2, ____ are subject to mandatory sinking fund redemption beginning on September 2, ____ as follows:

Sinking Fund Redemption Date <u>(September 2)</u>	Principal Amount <u>To Be Redeemed</u>
---	---

This bond is a Limited Obligation Improvement Bond because under the Resolution of Issuance, the City is not obligated to advance funds from the City treasury to cover any deficiency which may occur in the redemption fund for the bonds; however, the City is not prevented, in its sole discretion, from so advancing funds.

Unless this bond is presented by an authorized representative of DTC, to the City or the Fiscal Agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Hayward has caused this bond to be signed in facsimile by its Treasurer and by the City Clerk all as of the ____ day of _____, 1999.

CITY OF HAYWARD

City Clerk

Treasurer

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the bonds described in the within-mentioned Resolution of Issuance and the Fiscal Agent Agreement.

Dated: _____, 1999

_____, as Fiscal
Agent

By: _____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - (Cust) Custodian (Minor)

under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____
_____, attorney, to transfer the same on the registration books of the
Agent, with full power of substitution in the premises.

Dated: _____, 199_

Signature Guaranteed:

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

NOTE: Signature must be guaranteed by an eligible guarantor or institution.

DM 6-16-95

CITY OF HAYWARD

DRAFT

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE SALE OF BONDS,
APPROVING AND DIRECTING THE EXECUTION OF A
BOND PURCHASE CONTRACT AND AN OFFICIAL
STATEMENT, AND APPROVING OTHER RELATED
DOCUMENTS AND ACTIONS WITH RESPECT TO LOCAL
IMPROVEMENT DISTRICT NO. 17

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, this Council has conducted proceedings under and pursuant to Resolution of Intention No. 99-064, adopted May 4, 1999 (the "Resolution of Intention"), to form the Local Improvement District No. 17 (Twin Bridges Community Park) (the "District"), to authorize the levy of special assessment upon the land within the District, and to issue bonds secured by said special assessment the proceeds of which are to be used to finance certain public improvements (collectively, the "Improvements"), all as described therein; and

WHEREAS, notice of recordation of the assessments and the opportunity to pay all or a portion thereof will be duly given, and after the time for payment has expired and there will be on file with the Director of Finance of the City a list of all the assessments which remain unpaid; and

WHEREAS, pursuant to the Resolution of Intention, this Council has adopted Resolution No. 99-____, A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds (the "Resolution");

WHEREAS, there have been submitted to this Council certain documents providing for the sale of the bonds, including the form of Preliminary Offering Memorandum prepared by Kelling, Northcross & Nobriga, A Division of Zions Bank, as financial advisor (the "Financial Advisor"), and the Council, with the aid of its staff, has reviewed the Preliminary Offering Memorandum to assure proper disclosure of all material facts relating to such bonds that are in the personal knowledge of the Councilmembers and the City staff.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HAYWARD RESOLVES AS FOLLOWS:

Section 1. Bond Purchase Contract. The Council hereby approves the sale of the Bonds by negotiation with a firm (the "Underwriter") to be selected through a competitive process

conducted by the Financial Advisor. The proposed form of Bond Purchase Contract between the City and the Underwriter is hereby approved and the City Manager, or designee thereof, (the "Authorized Official") is hereby authorized and directed to execute and deliver the Bond Purchase Contract for and on behalf of the City, substantially in the form of the Bond Purchase Contract presented to the Council, with any changes, insertions and deletions as may be approved by the Authorized Official in consultation with the Underwriter and Bond Counsel, such approval to be conclusively evidenced by the execution of the Bond Purchase Contract by Authorized Official, provided that the average interest rate on the Bonds in excess of 7% per annum, result in an underwriter's discount in excess of 3% of the aggregate principal amount of the Bonds, said discount to be exclusive of any original issue discount).

Section 2. Bonds Printed and Delivered. Upon execution of the Bond Purchase Contract by the City, the Bonds shall be printed, authenticated and delivered, all in accordance with the applicable terms of the Bond Purchase Contract and the Resolution and the Authorized Official and other responsible City officials are hereby authorized and directed to take such actions as are required under the Bond Purchase Contract and Resolution to complete all actions required to evidence the delivery of the Bonds upon the receipt of the purchase price thereof from the Underwriter.

Section 3. Official Statement. The Council hereby approves the Offering Memorandum describing the financing described therein, in substantially the form on file with the Authorized Official, together with any changes therein or additions thereto deemed advisable by the Authorized Official. Pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Offering Memorandum is hereby deemed final and the Authorized Official is hereby authorized and directed to provide written certification thereof. The execution of the final Offering Memorandum, which shall include such changes and additions thereto deemed advisable by the Authorized Official, in consultation with the Underwriter and Bond Counsel, and such information permitted to be excluded from Offering Memorandum pursuant to the Rule, shall be conclusive evidence of the approval of the final Offering Memorandum by the City.

Section 4. Actions. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the Authorized Official and the other proper officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, contracts, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution, and any certificate, agreement, contract, and other document described in the documents herein approved.

Section 5. Effective Date. This resolution shall take effect from and after its adoption.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1999

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward