



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Poremski</i> 5 June 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/13/2019		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Michaela Morales Dept: Finance <i>Michaela Morales</i> Signature/Date: 5/31/19	General Counsel <i>M. [Signature]</i>	Controller/Treasurer <i>[Signature]</i> 6/3/19	District Secretary []	BARC <i>[Signature]</i> 6/3/19

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2019 SERIES F (Green Bonds) AND 2019 REFUNDING SERIES G (FEDERALLY TAXABLE) (Green Bonds)

PURPOSE:

To request Board adoption of a resolution, which authorizes the issuance and sale of not to exceed \$240 million in General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds) and 2019 Series B-2 (Federally Taxable) (Green Bonds) (the "Bonds") and, if sufficient savings can be achieved, which authorizes the issuance of an additional series of taxable refunding bonds (the "Refunding Bonds") in a principal amount (above the \$240 million) to refund a portion of the 2013 Series C Bonds (the "2013 Bonds"). Furthermore, to seek Board authorization for the Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds and Refunding Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements and, (3) to attend rating agency meetings and to execute "Green Bond" certification agreements in connection with the issuance of the Bonds and the Refunding Bonds.

DISCUSSION:

In 2019, the District intends to issue not to exceed \$240 million of voter approved General Obligation Bonds. Proceeds of the Bonds will be used to fund projects authorized by

Measure AA and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Controller-Treasurer to negotiate the structure, series designations, financing terms and cost of issuance of the Bonds and Refunding Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance as well as the execution of green bond certification agreements in connection with issuance of the Bonds and Refunding Bonds, if any.

The Controller-Treasurer is also authorized to issue Refunding Bonds, entitled “General Obligation Bonds (Election of 2004) 2019 Refunding Series G (Federally Taxable) (Green Bonds)” to refund a portion of the 2013 Bonds if 10% net present value savings are expected to be achieved by such issuance. Due to recent U.S. tax law changes, only taxable bonds may be issued to advance refund the 2013 Bonds at this time.

The District advertised the RFP for underwriting services to the 12 members of the District’s Underwriting Pool on March 27, 2019 and received 11 proposals on April 12, 2019. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Morgan Stanley and Citigroup Global Markets/Siebert Cisneros Shank as Joint Senior Managers, J.P. Morgan Securities LLC and Stifel Financial Corp. as Co-Senior Managers, and Backstrom McCarley Berry & Co. LLC and Raymond James as Co-Managers for the Bonds.

Green Bonds are issued to encourage investing in projects that support sustainability and the environment. More specifically, Green Bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean transportation, sustainable water management, and the cultivation of environmentally friendly technologies. BART issuances are ‘Green Bonds’ as the District’s projects finance a mass transit system.

FISCAL IMPACT:

The District proposes to issue General Obligation Bonds (Election of 2004), 2019 Series F, in the total principal amount not to exceed \$240 million and if sufficient savings can be achieved, the District also proposes to issue General Obligation Bonds (Election of 2004) 2019 Refunding Series G in a principal amount sufficient to refund a portion of the 2013 Bonds and pay the costs of issuance associated therewith. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the General Obligation Bonds will be paid through assessed ad valorem taxes on all property in the three BART District counties. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the General Obligation Bonds, 2019 Series F, at this time which would mean no bond funds would be available to fund projects authorized under Measure AA and the District may elect not to authorize the Refunding Bonds at this time which would mean no debt service savings, if achievable, would be available with respect to refunding bonds currently outstanding.

RECOMMENDATION:

To authorize the issuance of the Bonds and the Refunding Bonds and for the Controller-Treasurer to determine whether to sell the Refunding Bonds and negotiate the structure, financing and cost of issuance for the Bonds and the Refunding Bonds, if any, and to execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale of not to exceed \$240 million aggregate principal amount of General Obligation Bonds (Election of 2004), 2019 Series F, and, if sufficient savings are achieved, the Refunding Bonds, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$240 MILLION AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2019 SERIES F; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE ISSUANCE OF REFUNDING BONDS AND FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Resolution No. 4920 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 10, 2004, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 2, 2004, at which the following proposition ("Measure AA") was submitted to the electors of the District:

"To protect public safety and keep Bay Area traffic moving in the event of an earthquake or other disaster, shall BART, the San Francisco Bay Area Rapid Transit District, be authorized to issue bonds not to exceed \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda Counties, including strengthening tunnels, bridges, overhead tracks and the underwater Transbay Tube, and establish an independent citizens' oversight committee to verify bond revenues are spent as promised?"

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2005 Series A (the "2005 Bonds") in an aggregate principal amount of \$100,000,000, pursuant to that certain Paying Agent Agreement (the "Master Paying Agent Agreement") by and between the District and U.S. Bank National Association (successor to The Bank of New York Trust Company, N.A.), as Paying Agent (the "Paying Agent" or "U.S. Bank"), dated as of May 1, 2005, all of which 2005 Bonds have been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2007 Series B (the “2007 Bonds”) in an aggregate principal amount of \$400,000,000, pursuant to that certain First Supplemental Paying Agent Agreement (the “First Supplemental Paying Agent Agreement”) by and between the District and the Paying Agent, dated as of July 1, 2007, all of which 2007 Bonds have been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2013 Series C (the “2013 Bonds”) in an aggregate principal amount of \$240,000,000 pursuant to that certain Second Supplemental Paying Agent Agreement (the “Second Supplemental Paying Agent Agreement”) by and between the District and the Paying Agent, dated as of October 1, 2013, and the District, as shall be determined by the Controller/Treasurer of the District, will issue taxable refunding bonds if debt service savings can be achieved by refunding a portion of the 2013 Bonds that are currently outstanding and are subject to redemption on August 1, 2023;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015 Bonds”) in an aggregate principal amount of \$276,805,000 pursuant to that certain Third Supplemental Paying Agent Agreement (the “Third Supplemental Paying Agent Agreement” and together with the Master Paying Agent Agreement, the First Supplemental Paying Agent Agreement, the Second Supplemental Paying Agent Agreement and further supplements and amendments thereto, the “Paying Agent Agreement”) by and between the District and the Paying Agent, dated as of October 1, 2015;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2017 Refunding Series E (Green Bonds) (the “2017 Bonds” and together with the 2013 Bonds and the 2015 Bonds, the “Outstanding Bonds”) in an aggregate principal amount of \$84,735,000 pursuant to that certain Trust Agreement (Measure AA), incorporating the Paying Agent Agreement (the “Master Trust Agreement,”), by and between the District and U.S. Bank, as trustee (the “Trustee”), dated as of June 1, 2017;

WHEREAS, the District now deems that it is necessary and desirable to issue its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds)” and its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-2 (Federally Taxable) (Green Bonds)” (collectively, the “2019F Bonds”) in an aggregate principal amount not exceeding \$240,000,000, according to the terms and in the manner as set forth in a First Supplemental Trust Agreement, to be dated as of August 1, 2019 (in the form presented to this meeting, with such changes as are made pursuant to this Resolution, the “First Supplemental Trust Agreement” and, together with the Master Trust Agreement, being hereinafter referred to as the “Trust Agreement”), supplemental to the Master Trust Agreement, for the purpose of financing the cost of making earthquake safety improvements to District facilities in Contra Costa, San Francisco and Alameda Counties authorized by Measure AA (the “Project”) and paying the costs of issuance of the 2019F Bonds;

WHEREAS, the District deems it necessary and desirable to sell the 2019 Bonds by negotiated sale to Morgan Stanley & Co. LLC (“Morgan Stanley”), Citigroup Global Markets Inc. and Siebert Cisneros Shank & Co. L.L.C., as senior managers, and the other underwriters designated in the bond purchase agreement (collectively, the “Underwriters”) for whom Morgan

Stanley is acting as representative (the “Representative”), in order to provide flexibility in the timing of the sale of the 2019 Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing;

WHEREAS, a proposed form of a bond purchase agreement between the District and the Representative has been prepared and presented to this meeting (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the “Bond Purchase Agreement”);

WHEREAS, there has been prepared and submitted to this meeting a proposed form of the Official Statement (as defined herein) in preliminary form (the “Preliminary Official Statement”) to be used in connection with the offering and sale of the 2019F Bonds;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (with such changes, omissions and insertions as are made pursuant to this Resolution, the “Continuing Disclosure Agreement”), which is proposed to be entered into by the District and U.S. Bank, and as dissemination agent;

WHEREAS, a portion of the 2013 Bonds that are currently outstanding are subject to redemption on August 1, 2023, and may be refunded by the issuance of taxable refunding bonds and if net present value debt service savings of at least ten percent of the principal amount of the 2013 Bonds refunded can be achieved, the District deems it desirable to authorize the issuance of “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004) 2019 Refunding Series G (Federally Taxable) (Green Bonds)” (the “2019G Bonds” and, together with the 2019F Bonds, the “2019 Bonds”) in an aggregate principal amount necessary to affect such refunding, including cost of issuance with respect thereto;

WHEREAS, appropriate changes may be made to the Preliminary Official Statement, the First Supplemental Trust Agreement and the Bond Purchase Agreement to provide for the sale and issuance of the 2019G Bonds if the requisite savings are projected to be achieved prior to the marketing of the 2019F Bonds;

WHEREAS, the District has engaged Sperry Capital Inc. as municipal advisor to the District with respect to the 2019 Bonds, and Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District with respect to the 2019 Bonds and pursuant to Section 5852.1 of the Government Code of the State of California, the District has estimated the costs of issuance for the 2019 Bonds and has received certain representations and good faith estimates from the Representative as to the debt costs and finance charges with respect to the 2019 Bonds as set forth in Appendix A hereto; and

WHEREAS, the District hereby determines that use of the proceeds of the 2019 Bonds for the Project and the refinancing of the 2013 Bonds as described herein will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the 2019 Bonds should be certified as “Green Bonds” under the low carbon land transport criteria established by the Climate Bonds Standard and Certification Scheme;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds), and San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-2 (Federally Taxable) (Green Bonds), in an aggregate principal amount not to exceed \$240 million, on the terms and conditions set forth in, and subject to the limitations specified in, the First Supplemental Trust Agreement, as finally executed and delivered, is hereby approved. The issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004) 2019 Refunding Series G (Federally Taxable) (Green Bonds), is also hereby approved; provided that said net present value savings of at least ten percent can be achieved and the Controller/Treasurer of the District is hereby authorized and directed to determine the principal amount, series designations, interest rate or rates, and other terms of the 2019G Bonds to be issued, including determining whether such 2019G Bonds shall be marketed (subject to the aforesaid limitations and the limitations hereinafter specified) and, if marketed and sold, to specify said terms in the First Supplemental Trust Agreement finally as executed and delivered.

Section 2. The First Supplemental Trust Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the First Supplemental Trust Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the First Supplemental Trust Agreement. The proceeds of the 2019 Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the 2019 Bonds shall not exceed thirty (30) years. The maximum rate of interest to be payable on the 2019 Bonds shall not exceed five and one-half percent (5.50%) per annum. The combined true interest cost for the 2019 Bonds shall not exceed four and one-half percent (4.50%) per annum. Optional redemption of the 2019 Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of 2019 Bonds being redeemed; provided, however, that the Controller/Treasurer is hereby authorized to cause all or any portion of the 2019 Bonds to be issued as callable, noncallable, taxable, or tax-exempt bonds. The net present value of the savings generated by the refunding shall be at least ten percent (10.00%) of the aggregate principal amount of the bonds to be refunded. The 2019 Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the 2019 Bonds. The 2019 Bonds shall be authenticated by a manual signature of a duly authorized officer of the Trustee. The dated date of the document, the interest payment dates, series designations, tax designation, denominations, forms, manner of execution, terms of redemption and other terms of the 2019 Bonds shall be as provided in the First Supplemental Trust Agreement as finally executed.

Section 3. The sale of the 2019 Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement is hereby approved and authorized and the form of Bond Purchase Agreement presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Bond Purchase

Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery thereof. The maximum underwriting discount on the sale of the 2019 Bonds (exclusive of original issue discount) shall be not greater than one-half of one percent (0.50%) of the principal amount of the 2019 Bonds. The proceeds, including accrued interest on the sale of the 2019 Bonds, shall be applied simultaneously with the delivery of the 2019 Bonds, as required by the terms of the First Supplemental Trust Agreement as finally executed.

Section 4. The form of Preliminary Official Statement presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the 2019 Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is “deemed final” as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer, being hereinafter referred to as the “Official Statement”) and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters and distributed in connection with the offering and sale of the 2019 Bonds.

Section 5. The form of Continuing Disclosure Agreement presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 6. The Controller/Treasurer of the District is hereby authorized to arrange and confirm Green Bond certifications from the Climate Bonds Initiative for the 2019 Bonds or a portion thereof and the Controller/Treasurer of the District is further authorized to execute and deliver all documents necessary in connection therewith.

Section 7. The Controller/Treasurer is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Controller/Treasurer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing

when used in combination with the 2019 Bonds or enhance the relationship between risk and return with respect to investments.

Section 8. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the general tax levy, levy and collect annually until the 2019 Bonds are paid, or until there is a sum in the treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the 2019 Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the 2019 Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 9. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of outstanding general obligation bonds of the District heretofore and hereafter issued pursuant to voter-approved Measure AA of the District, including the 2019 Bonds and any bonds issued to refund the 2019 Bonds or any other bonds issued pursuant to Measure AA (for the purpose of this pledge herein collectively, the "Bonds") and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

Section 10. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (each a "BART County" and collectively, the "BART Counties"), are hereby requested to take and authorize such actions as may be necessary pursuant to the laws of the State of California to provide for the levy and collection of the property tax on all property within their respective County subject to taxation by the District at such rate specified annually by the District to provide for payment of all principal of, redemption premium, if any, and interest on the Bonds, including the 2019 Bonds, as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District's interest and sinking fund established pursuant to the Trust Agreement, and the Secretary of the District is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board hereby agrees to reimburse each BART County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer of the District is hereby authorized to enter into agreements with each BART County or provide such other documentation as the Controller/Treasurer of the District determines is necessary or convenient to assist in the levy and collection of the taxes and the transfer thereof to or at the direction of the District.

Section 11. The President of the Board of Directors of the District, the General Manager of the District or the Interim General Manager of the District, the Controller/Treasurer of the District, the General Counsel of the District, the District Secretary and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Trust Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of escrow agreements, tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds, the engagement of verification agents, consultants and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the 2019 Bonds.

Section 12. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the 2019 Bonds are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2019.

EXHIBIT A TO RESOLUTION

GOOD FAITH ESTIMATES

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2019 SERIES F
(GREEN BONDS)**

The following information was obtained from Morgan Stanley & Co. LLC, as Representative of the Underwriters of the bonds defined above (the "Bonds"), for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of the Bonds in the amount of \$240,000,000 of 2019 Series F Bonds and \$88,375,000 of 2019 Refunding Series G Bonds is sold to effectuate the financing and the refunding and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.246%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is \$1,324,656.00, as follows:

a)	Bond Counsel Fees [†]	\$340,000.00*
b)	Disclosure Counsel Fees [†]	200,000.00*
c)	Disbursements	5,000.00*
d)	Municipal Advisor Fees [†]	67,500.00*
e)	Rating Agency Fees	110,000.00*
f)	Trustee Fees	9,600.00*
g)	Printer Fees	2,000.00*
h)	Miscellaneous Expenses	3,000.00*
i)	Green Bond Certification	3,283.75*
j)	Underwriters' Discount	574,656.00*
	Subtotal	<u>\$1,315,039.75*</u>
k)	Contingency	9,616.25*
	Total:	<u>\$1,324,656.00*</u>

* Preliminary, subject to change (Bond Counsel and Disclosure Counsel Fees would each be reduced by \$100,000.00 if refunding is not executed; Municipal Advisor Fees would be reduced by \$35,000.00 if refunding is not executed).

3. *Amount of Proceeds to be Received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of

proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$327,979,644.74.

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds (\$328,375,000.00) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$485,528,903.84.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the issuer based on need for funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the issuer's control.