

1 [Tax Exempt and Taxable Revenue Certificates of Participation]

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3 **Resolution of the City and County of San Francisco authorizing the execution and**
4 **delivery from time to time of its Tax-Exempt and Taxable Lease Revenue Commercial**
5 **Paper Certificates of Participation in an amount not to exceed \$150,000,000 in order to**
6 **provide short-term financing to pay for certain capital improvements, and approving**
7 **and authorizing execution of a trust agreement and certain financing documents and**
8 **authorizing other related actions.**

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10 WHEREAS, For the purpose of providing funds to finance the Projects (as defined
11 below), the City has determined to cause to be executed and delivered, under and pursuant to
12 the provisions of the Trust Agreement and the Delivery and Paying Agent Agreement (as
13 such terms are hereinafter defined), Tax-Exempt and Taxable Lease Revenue Commercial
14 Paper Certificates of Participation (collectively, the "Commercial Paper Certificates") in the
15 aggregate principal amount of not to exceed \$150,000,000, designated "City and County of
16 San Francisco Certificates of Participation (Capital Improvement Projects), Series 2009"
17 which will be sufficient, among other things (i) to pay costs of the Projects (as defined below);
18 (ii) to fund capitalized interest with respect to the Certificates; (iii) to fund Capitalized Fees and
19 Expenses (as defined in the Trust Agreement); and (iv) to pay costs incurred in connection
20 with the sale and delivery of the Commercial Paper Certificates; and,

21 WHEREAS, Pursuant to a Site Lease (the "Site Lease"), the City, as lessor, will lease
22 the property described therein, including the improvements located thereon (collectively, the
23 "Property") to the Trustee, as lessee, and, in return therefor, the Trustee will apply, or caused
24 to be applied, a portion of the proceeds of the Commercial Paper Certificates to the

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1 acquisition, construction and rehabilitation of the certain capital improvements within the City
2 (the "Projects"); and,

3 WHEREAS, Pursuant to a Sublease (the "Sublease"), the Trustee will lease-back the
4 Property to the City, and the City, pursuant to the Sublease, will pay to the Trustee base rental
5 lease payments (the "Base Rental Payments") for the use and occupancy of the Property,
6 which Base Rental Payments will be used to (i) reimburse the Banks (as hereinafter defined)
7 or other credit support provider for payments made on the Commercial Paper Certificates or
8 (ii) if necessary, make payments on the Commercial Paper Certificates; and,

9 WHEREAS, The payment of principal of and interest on the Commercial Paper
10 Certificates will either (i) be secured by an irrevocable direct pay letter of credit (the "Credit
11 Facility") issued by a bank or banks or other financial entities or institutions (the "Bank")
12 pursuant to the terms of a reimbursement agreement (the "Reimbursement Agreement")
13 among the Trustee (as defined below), the City, and the Bank, or (ii) another arrangement to
14 provide liquidity with respect to the Commercial Paper Certificates (the "Liquidity
15 Arrangement"); and,

16 WHEREAS, The Commercial Paper Certificates will be placed initially by one or more
17 banks (each, a "Dealer") to be selected pursuant to the terms of a request for qualifications
18 issued by the Director of Public Finance; and,

19 WHEREAS, This Board has duly considered such transactions and wishes at this time
20 to approve said transactions in the public interests of the City; now, therefore, be it,

21 RESOLVED, By the Board of Supervisors of the City and County of San Francisco as
22 follows:

23 Section 1. Delivery of Certificates; Approval of Trust Agreement; Approval of Issuing
24 and Paying Agent Agreement. The Board hereby authorizes the execution and delivery of the

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1 Commercial Paper Certificates from time to time in an aggregate total principal amount of not
2 to exceed \$150,000,000 for the purpose of providing moneys which will be sufficient, among
3 other things (i) to pay costs of the Projects; (ii) to fund capitalized interest with respect to the
4 Certificates (as defined in the Trust Agreement); (iii) to fund Capitalized Fees and Expenses
5 (as defined in the Trust Agreement); and (iv) to pay costs incurred in connection with the sale
6 and delivery of the Commercial Paper Certificates; provided however, that the interest rate on
7 any Commercial Paper Certificate shall not exceed the maximum rate permitted by law, and
8 the Commercial Paper Certificates shall mature not later than 270 days from the date of
9 issuance although each certificate may be marketed for a subsequent period(s) also not to
10 exceed 270 days. The Commercial Paper Certificates shall be executed and delivered
11 pursuant to a Trust Agreement (the "Trust Agreement") by and between the City and a trustee
12 named therein, acting as Trustee (the "Trustee"), and the Delivery and Paying Agent
13 Agreement (the "Delivery and Paying Agent Agreement") by and between the City and the
14 Trustee, acting as delivery and paying agent. This Board hereby approves the Trust
15 Agreement and the Delivery and Paying Agent Agreement in the forms on file with the Clerk of
16 the Board, together with such additions thereto and changes therein as the Controller (the
17 "Controller") shall deem necessary, desirable or appropriate upon consultation with the City
18 Attorney, the execution of which by the City shall be conclusive evidence of the approval of
19 any such additions and changes. The Controller and the Director of the Office of Public
20 Finance (each, a "Designated Officer"), each acting alone, are hereby authorized to execute
21 the final form of the Trust Agreement and the final form of the Delivery and Paying Agent
22 Agreement for and in the name and on behalf of the City. This Board hereby authorizes the
23 performance by the City of its obligations under the Trust Agreement and the Delivery and
24 Paying Agent Agreement.

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1 Section 2. Approval of Financing Documents. This Board hereby approves the form of
2 the Sublease and the form of the Site Lease, in each case in the form on file with the Clerk of
3 the Board, together with such additions thereto and changes therein as the Controller shall
4 deem necessary, desirable or appropriate upon consultation with the City Attorney, the
5 execution of which by the City shall be conclusive evidence of the approval of any such
6 additions and changes. The Designated Officers, each acting alone, are hereby authorized to
7 execute the final form of the Sublease and the final form of the Site Lease for and in the name
8 of and on behalf of the City. This Board hereby authorizes the performance by the City of its
9 obligations under the Sublease and the Site Lease.

10 Section 3. Appointment of Letter of Credit Bank; Reimbursement Agreement. This
11 Board hereby authorizes and directs the Controller and the Director of the Office of Public
12 Finance to (i) appoint a letter of credit bank(s) ("Banks") to provide credit support for the
13 Commercial Paper Certificates, and (ii) negotiate a Reimbursement Agreement and/or other
14 credit agreement with the Banks; provided however, that (a) the term of any such letter of
15 credit at its time of delivery shall not be less than 364 days, (b) the interest rate on any Bank
16 Bond shall not exceed 12% per annum, and the amortization of any such Bank Bond shall not
17 be less than 3 years, (c) the premium payable on such letter of credit or other credit support
18 shall not exceed 2% per annum of the commitment amount, and (d) such customary
19 indemnity, defense and increased cost provisions as the Banks shall require, and as the City
20 Attorney shall approve, or (iii) negotiate and enter into such other credit support arrangements
21 with any other entities, as deemed appropriate and in the best interest of the City by the
22 Controller and the Director of the Office of Public Finance, in either case, on such terms and
23 conditions as the Controller and the Director of the Office of Public Finance shall deem
24 necessary, advisable or appropriate upon consultation with the City Attorney.

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1 Section 4. Dealer Agreement. This Board hereby authorizes and directs the Controller
2 and the Director of the Office of Public Finance to negotiate a Dealer Agreement with one or
3 more Dealers on such terms on such terms as the Controller and the Director of the Office of
4 Public Finance shall deem necessary, advisable or appropriate upon consultation with the City
5 Attorney, provided however, that the final form of such agreement shall be subject to approval
6 of this Board.

7 Section 5. Offering Memorandum. The Board hereby authorizes and directs the
8 Controller and the Director of the Office of Public Finance to prepare or cause to be prepared
9 the Offering Memorandum to be used with respect to the sale from time to time of the
10 Commercial Paper Certificates; provided however, that distribution of the Offering
11 Memorandum by the Dealer shall be subject to prior approval of this Board.

12 Section 6. Official Actions. The Controller, the Director of the Office of Public Finance,
13 the Clerk of the Board and any and all other officers of the City are hereby authorized, for and
14 in the name of and on behalf of the Authority, to do any and all things and take any and all
15 actions, including execution and delivery of any and all documents, assignments, certificates,
16 requisitions, agreements, notices, consents, instruments of conveyance, warrants and
17 documents, which they, or any of them, may deem necessary or advisable in order to
18 consummate the lawful issuance and sale of the Commercial Paper Certificates and the
19 consummation of the transactions as described herein, including without limitation, such
20 documents, assignments, certificates and agreements as may be required by the Trust
21 Agreement, the Delivery and Paying Agent Agreement, the Sublease, the Site Lease, the
22 Dealer Agreement, the Reimbursement Agreement or the Liquidity Arrangement. Any
23 authority delegated under this resolution to a specified official may also be exercised by either
24 the Controller or by the specified official's authorized designee.

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
MARK D. BLAKE
Deputy City Attorney