

[Refunding Certificates of Participation, Series 2013 - Not to Exceed \$236,000,000]

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Resolution authorizing the execution and delivery of City and County of San Francisco Refunding Certificates of Participation, Series 2013 (Capital Projects) in one or more series in an aggregate principal amount not to exceed \$236,000,000 to refinance in whole or in part certain certificates of participation the proceeds of which financed or refinanced various capital improvement projects of the City; approving the form of a Trust Agreement (including certain indemnities contained therein) between the City and the Trustee to be named therein; approving the form of four separate Facilities Leases between the City and the Trustee to be named therein relating to certain City-owned property; approving the form of four separate Lease Agreements (including certain indemnities contained therein) between the City and the Trustee to be named therein; approving the form of an Escrow Agreement (including certain indemnities contained therein) between the City and an Escrow Agent to be named therein; approving the form of one or more Official Notice(s) of Sale and one or more Notice(s) of Intention to Sell the Refunding Certificates of Participation; authorizing certain actions relating to the Refunding Certificates of Participation, if sold by negotiated sale and approving the form of one or more Purchase Contract(s) between the City and the Underwriter(s) to be named therein; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; authorizing City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Refunding Certificates of Participation; and ratifying previous actions taken in connection therewith.

1 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
2 "Board of Supervisors" or the "Board") desires to provide for the refinancing, in whole or in
3 part, of the City and County of San Francisco Certificates of Participation, Series 2003
4 (Juvenile Hall Replacement Project) (the "2003 Certificates"), the City and County of San
5 Francisco Refunding Certificates of Participation, Series 2004-R1 (San Francisco Courthouse
6 Project) (the "2004 Certificates"), the City and County of San Francisco Certificates of
7 Participation, Series 2001A (30 Van Ness Avenue Property) (the "2001 Certificates") and the
8 City and County of San Francisco Certificates of Participation, Series 2007A (City Office
9 Buildings – Multiple Properties Project) (the "2007 Certificates", and together with the 2003
10 Certificates, the 2004 Certificates and the 2001 Certificates, collectively the "Refunded
11 Certificates"), the proceeds of which financed or refinanced various capital improvement
12 projects of the City (collectively, the "Project"), with proceeds from the sale of the City and
13 County of San Francisco Refunding Certificates of Participation, Series 2013 (Capital
14 Projects) delivered in one or more series, comprised of the "Series 2013-R1 Certificates," the
15 "Series 2013-R2 Certificates," the "Series 2013-R3 Certificates" and the "Series 2013-R4
16 Certificates," (collectively, the "Certificates") authorized hereby; and

17 WHEREAS, Chapter 43, Article VIII, Section 43.8.1 of the San Francisco Administrative
18 Code (the "Administrative Code") provides that the policy of the City and County of San
19 Francisco (the "City") authorizes the refunding of outstanding lease obligations of the City
20 whenever such refunding shall result in net debt service savings to the City pursuant to the
21 procedure set forth in such Article as well as by any other method permitted by law or other
22 Resolution of the Board; and

23 WHEREAS, In connection with the execution and delivery of each series of
24 Certificates, the City shall enter into separate facilities leases (each, a "Facilities Lease," and
25 collectively, the "Facilities Leases"), four separate lease agreements (each, a "Lease

1 Agreement,” and collectively, the “Lease Agreements”), a trust agreement (the “Trust
2 Agreement”), an escrow agreement (the “Escrow Agreement”) and certain other related
3 documents; and

4 WHEREAS, The Certificates will be payable from rental payments paid by the City for
5 the use and occupancy of certain land and facilities subject to the Lease Agreements; and

6 WHEREAS, This Board has been presented with the form of certain documents
7 referred to herein relating to the Certificates, and the Board has examined and is approving
8 each document and desires to authorize and direct the execution of such documents and the
9 consummation of such refinancing; and

10 WHEREAS, The Certificates may be sold by competitive sale pursuant to one or more
11 official notice(s) of sale relating to the Certificates (each, an “Official Notice of Sale” and
12 collectively, the “Official Notices of Sale”) and one or more notice(s) of intention to sell (each,
13 a “Notice of Intention to Sell” and collectively, the “Notices of Intention to Sell”) or, in
14 accordance with certain procedures, by negotiated sale pursuant to one or more purchase
15 contract(s) (each, a “Purchase Contract,” and collectively, the “Purchase Contracts”); and

16 WHEREAS, In connection with the Refunded Certificates, the Board desires to provide
17 for the release of certain City properties from the leases securing the 2007 Certificates, all as
18 determined and deemed necessary and/or appropriate by the Director of Public Finance of the
19 City; and now, therefore, be it

20 RESOLVED, By the People of the City and County of San Francisco, as follows:

21 Section 1. Recitals. The Board hereby finds and determines that all of the recitals
22 herein are true and correct.

23 Section 2. Conditions Precedent. All conditions, things and acts required by law to
24 exist, to happen and to be performed precedent to and as a condition of the execution and
25 delivery of the Facilities Leases, the Lease Agreements, the Trust Agreement, the Escrow

1 Agreement and, if applicable, the Purchase Contract and the Certificates will exist, have
2 happened and have been performed in due time, form and manner in accordance with
3 applicable law, and the City shall be authorized pursuant to its Charter and other applicable
4 law to execute and deliver the Facilities Leases, the Lease Agreements, the Trust Agreement,
5 the Escrow Agreement and, if applicable, the Purchase Contract and to cause the execution
6 and delivery of the Certificates in the manner and form provided in this Resolution.

7 Section 3. File Documents. The documents referenced herein and presented to this
8 Board are on file with the Clerk of the Board or her designee (collectively, the "Clerk") in File
9 No. 130709.

10 Section 4. Approval of the Certificates. The Board hereby authorizes and approves the
11 execution and delivery of the Certificates, in one or more series, which shall be executed and
12 delivered in accordance with the Trust Agreement by and between the City and the trustee
13 named therein (the "Trustee"), as the same is finally executed and delivered. The proceeds of
14 the Certificates will be used to (i) refinance the capital improvements and equipment financed
15 or refinanced with the Refunded Certificates, (ii) fund the reserve funds or the costs of one or
16 more reserve surety policies, if any, as the Controller of the City or his designee (collectively,
17 the "Controller") shall determine for the Series 2013-R1 Certificates, the Series 2013-R3
18 Certificates and the Series 2013-R4 Certificates, and (iii) pay costs of execution and delivery
19 of the Certificates. The Certificates shall be designated as "City and County of San Francisco
20 Refunding Certificates of Participation, Series 2013-R1 (Capital Projects)," "City and County of
21 San Francisco Refunding Certificates of Participation, Series 2013-R2 (Capital Projects),"
22 "City and County of San Francisco Refunding Certificates of Participation, Series 2013-R3
23 (Capital Projects)" and "City and County of San Francisco Refunding Certificates of
24 Participation, Series 2013-R4 (Capital Projects)," respectively, or such other designations as
25 deemed appropriate by the Director of Public Finance of the City or her designee (the

1 "Director of Public Finance"). The Trustee shall be authorized to cause the execution and
2 delivery of the Certificates in an aggregate principal amount not to exceed \$236,000,000, and
3 subject to the following: (i) interest rates on the Certificates shall not exceed twelve percent
4 (12%) per annum, (ii) the execution and delivery of the Certificates shall produce at least three
5 percent (3%) present value savings, and (iii) the term of any Lease Agreement shall not be
6 extended beyond its current term. The Certificates shall be subject to prepayment as set forth
7 in the Trust Agreement. To the extent deemed necessary or desirable by the Controller or the
8 Director of Public Finance, this Board authorizes the procurement of credit enhancement for
9 the Certificates, including, but not limited to, municipal bond insurance or a debt service
10 reserve fund surety policy or other reserve fund instrument, if any. Notwithstanding Section 17
11 hereof, the documents authorized herein may be modified or amended to permit the
12 procurement of credit enhancement for the Certificates, to the extent deemed necessary or
13 desirable by the Director of Public Finance, upon consultation with the City Attorney.

14 Section 5. Approval of the Trust Agreement; Authorization of the Selection of the
15 Trustee. The form of the Trust Agreement between the City and the Trustee, as presented to
16 this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
17 Mayor of the City or his designee (collectively, the "Mayor") is hereby authorized to execute
18 the Trust Agreement, with such changes, additions and modifications as the Mayor may make
19 or approve in accordance with Section 17 hereof.

20 The Director of Public Finance is hereby authorized to select the banking institution
21 shall serve as Trustee under the applicable agreements herein approved in accordance with
22 City policies and procedures, including but not limited to the City's policy to provide local
23 business enterprises an equal opportunity to participate in the performance of all City
24 contracts.

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1 Section 6. Approval of the Facilities Leases. The forms of the Facilities Leases by and
2 between the City and the Trustee, as presented to this Board, copies of which are on file with
3 the Clerk of the Board, are hereby approved. The Mayor is hereby authorized to execute each
4 Facilities Lease, with such changes, additions and modifications as the Mayor may make or
5 approve in accordance with Section 17 hereof.

6 Section 7. Approval of the Lease Agreements. The forms of the Lease Agreements by
7 and between the City and the Trustee, providing for the refinancing of the Refunded
8 Certificates, as presented to this Board, copies of which are on file with the Clerk of the Board,
9 are hereby approved. The Mayor is hereby authorized to execute each Lease Agreement,
10 with such changes, additions and modifications as the Mayor may make or approve in
11 accordance with Section 17 hereof, provided however, that the Maximum Base Rental (as
12 defined in the Lease Agreements) scheduled to be paid under the Lease Agreements for the
13 use and occupancy by the City of certain land and facilities (described below), in any fiscal
14 year shall not exceed \$18,042,000 and the term of each Lease Agreement shall not extend
15 beyond the term of leases applicable to the Refunding Certificates.

16 Section 8. Approval of the Leased Properties and the Base Rental Payments. The
17 Board hereby approves of the use and occupancy by the City of all or a portion of the land
18 and facilities generally known as San Francisco Juvenile Hall, the San Francisco Courthouse,
19 30 Van Ness Avenue, One South Van Ness Avenue and 1650 Mission Street (each a “Leased
20 Property” and collectively, the “Leased Properties”). The Board also hereby approves of the
21 payment by the City of the Base Rental for the use and occupancy of all or a portion of the
22 Leased Properties.

23 Section 9. Approval of the Escrow Agreement. The form of the Escrow Agreement
24 between the City and the Escrow Agent, as presented to this Board, a copy of which is on file
25 with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute

1 the Escrow Agreement, with such changes, additions and modifications as the Mayor may
2 make or approve in accordance with Section 17 hereof.

3 Section 10. Sale and Award of Certificates by Competitive Sale. In the event the
4 Director of Public Finance determines to sell the Certificates by competitive sale, the Director
5 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive
6 bids for the purchase of the Certificates, and the Controller is hereby authorized and directed
7 to award the Certificates to the bidder whose bid represents the lowest true interest cost to the
8 City, all in accordance with the procedures described in one or more Official Notice(s) of Sale.

9 Section 11. Approval of Form of Official Notice of Sale. The form of the Official Notice
10 of Sale, as presented to this Board, a copy of which is on file with the Clerk of the Board, is
11 hereby approved. The Director of Public Finance is hereby authorized to approve the
12 distribution of one or more Official Notice of Sale for the Certificates, with such changes,
13 additions modifications or deletions as the Director of Public Finance may approve upon
14 consultation with the City Attorney; such approval to be conclusively evidenced by the
15 distribution of one or more Official Notice of Sale to potential purchasers of the Certificates.

16 Section 12. Approval of Form of Notice of Intention to Sell Relating to the Certificates.
17 The form of the Notice of Intention to Sell, as presented to this Board, a copy of which is on
18 file with the Clerk of the Board, is hereby approved. The Director of Public Finance is hereby
19 authorized to approve the publication of one or more Notice of Intention to Sell relating to the
20 Certificates, with such changes, additions, modifications or deletions as the Director of Public
21 Finance may approve upon consultation with the City Attorney; such approval to be
22 conclusively evidenced by the publication of the Notices of Intention to Sell, as applicable,
23 relating to the Certificates.

24 Section 13. Sale of Certificates by Negotiated Sale; Selection of Underwriters. In the
25 event the Director of Public Finance, in consultation with the Controller, determines to sell the

1 Certificates by negotiated sale, the Director of Public Finance is hereby authorized to sell the
2 Certificates by negotiated sale pursuant to one or more Purchase Contract, by and between
3 the City and an underwriter named therein, the form of such Purchase Contract as presented
4 to this Board and on file with the Clerk of the Board, is hereby approved. The Controller is
5 hereby authorized to execute the Purchase Contract approved as to form by the City Attorney
6 with such charges, additions, modifications and deletions as the Controller may make or
7 approve in accordance with Section 17 hereof; provided however, that the compensation
8 payable under any such Purchase Contract shall not exceed one percent (1%) of the
9 aggregate principal amount of the Certificates. In order to facilitate the sale of the Certificates
10 by negotiated sale, the Director of Public Finance is hereby authorized and directed to appoint
11 one or more financial institutions to act as underwriter for the Certificates in accordance with
12 City policies and procedures, including, but not limited to, the City's policy to provide local
13 business enterprises and women-owned enterprises an equal opportunity to participate in the
14 performance of all City contracts. Notwithstanding anything herein to the contrary, the
15 Director of Public Finance shall provide a report to the Board regarding any sales of refunding
16 certificates exceeding \$83,055,000 of Series 2013 Certificates authorized hereby.

17 Section 14. Approval of the Official Statement in Preliminary and Final Form. The form
18 of an official statement relating to the Certificates (the "Official Statement"), as presented to
19 this Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved.
20 The Controller is hereby authorized to approve the preliminary Official Statement in
21 substantially said form, with such changes, additions, modifications (including but not limited
22 to the inclusion of the most current City financial information) or deletions as such officer may
23 approve upon consultation with the City Attorney, and to deem the preliminary Official
24 Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as
25 amended, to execute a certificate to that effect, and to cause the preliminary Official

1 Statement to be delivered, in printed or electronic form, to potential purchasers of the
2 Certificates, such approval to be conclusively evidenced by the delivery of said deemed-final
3 certificate. The Controller is hereby further authorized and directed to sign and deliver the
4 Official Statement in final form to purchasers of the Certificates.

5 Section 15. Approval of the Continuing Disclosure Certificate. The form of a Continuing
6 Disclosure Certificate of the City relating to the Certificates, as presented to this Board, a copy
7 of which is on file with the Clerk of the Board, is hereby approved. The Controller is hereby
8 authorized to execute the Continuing Disclosure Certificate, with such changes, additions,
9 modifications or deletions as the Controller may approve upon consultation with the City
10 Attorney; such approval to be conclusively evidenced by the execution and delivery of the
11 Continuing Disclosure Certificate.

12 Section 16. General Authority. The Mayor, the City Attorney, the Controller, the City
13 Administrator, the Director of Public Finance, the Clerk of the Board and other officers of the
14 City and their duly authorized deputies and agents are hereby authorized and directed, jointly
15 and severally, to take such actions and to execute and deliver such certificates, agreements,
16 requests or other documents as they may deem necessary or desirable to accomplish the
17 proposed financing through the execution and delivery of the Certificates, to enter into the
18 documents authorized hereby, to encumber such properties (as identified herein) or to cause
19 the release thereof as necessary or advisable to facilitate the execution and delivery of the
20 Certificates, to obtain reserve surety policies, bond insurance or other credit enhancements
21 with respect to the refinancing of the Refunded Certificates, to obtain title insurance, clear any
22 encumbrances to title, execute any conveyances and reconveyances, survey property and
23 carry out other title work and otherwise to carry out the purposes of this Resolution.

24 Section 17. Modifications, Changes and Additions. The Mayor, or the Controller and
25 the Director of Public Finance each are hereby authorized to approve and make such

1 modifications, changes or additions to the documents authorized hereby, upon consultation
2 with the City Attorney, as may be necessary or desirable in the interests of the City, and which
3 changes do not materially increase the obligations of the City under said documents as
4 presented to this Board. The Mayor's or the Controller's approval of such modifications,
5 changes or additions shall be conclusively evidenced by the execution and delivery by the
6 Mayor of said documents and, as applicable, by the execution and delivery by the Controller
7 of the Purchase Contract.

8 Section 18. Ratification of Prior Actions. All actions authorized and directed by this
9 Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board.

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APPROVED AS TO FORM
DENNIS J. HERRERA, City Attorney

By: See File for Signature

Mark D. Blake
Deputy City Attorney
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