

FILE NO. 040659

RESOLUTION NO.

1 [Refunding San Francisco Courthouse Project Certificates of Participation (Series 1995).]

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3 **Resolution approving the execution and delivery of refunding certificates of**  
4 **participation to refinance, in whole and/or in part, the \$40,635,000 outstanding**  
5 **Certificates of Participation (San Francisco Courthouse Project) Series 1995; approving**  
6 **the form of a first supplement to property and facility lease by and between the City**  
7 **and County of San Francisco (the "City") and U.S. Bank Trust National Association (the**  
8 **"Trustee"); approving the form of a first supplement to project lease between the**  
9 **Trustee and the City; approving the form of a first supplement to trust agreement**  
10 **between the City and the Trustee; approving the form of an escrow agreement between**  
11 **the City and BNY Western Trust Company; approving the form of the official notice of**  
12 **sale and the notice of intention to sell for the refunding certificates of participation;**  
13 **directing the publication of the notice of intention to sell for the refunding certificates**  
14 **of participation; approving the form of the official statement in preliminary and final**  
15 **form; approving the form of the continuing disclosure certificate; authorizing the**  
16 **payment of cost of issuance; and ratifying previous actions taken in connection**  
17 **therewith.**

18  
19 WHEREAS, Heretofore \$60,520,000 Certificates of Participation (San Francisco  
20 Courthouse Project), Series 1995 (the "Prior Certificates") had been executed and delivered to  
21 finance the construction, financing and equipping of a courthouse building located in the City  
22 of San Francisco Civic Center (the "Project"); and,

23 WHEREAS, The Prior Certificates were secured primarily by base rental payments by  
24 the City and County of San Francisco (the "City") for its use of the Project financed in  
25 connection therewith; and,

1 WHEREAS, The Board of Supervisors of the City (the "Board") now intends to reduce  
2 the aggregate base rental payments by refinancing, in part and/or in whole, the Prior  
3 Certificates through the execution and delivery of refunding certificates of participation in an  
4 aggregate principal amount not to exceed ~~\$43,500,000~~ 45,000,000 (the "Certificates"); and,

5 WHEREAS, Said Certificates will be secured primarily by base rental payments to be  
6 paid by the City from the City's general fund pursuant to a Project Lease by and between the  
7 City and U.S. Bank Trust National Association dated as of July 1, 2001, as amended and  
8 supplemented by a First Supplement to Project Lease (as defined herein) (together, the  
9 "Project Lease"); and,

10 WHEREAS, In connection with the execution and delivery of the Certificates, the City  
11 shall enter into a Supplemental Property and Facility Lease (as defined herein), a  
12 Supplemental Project Lease, a Supplemental Trust Agreement (as defined herein), an Escrow  
13 Agreement (as defined herein), and certain other related documents (as set forth herein); and,

14 WHEREAS, It is anticipated that the Certificates will be sold by competitive sale  
15 pursuant to an Official Notice of Sale (as defined herein); now, therefore, be it

16 RESOLVED, BY THIS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF  
17 SAN FRANCISCO AS FOLLOWS:

18 Section 1. Approval of Certificates. The Board hereby approves the execution and  
19 delivery of the Certificates which shall be executed and delivered in accordance with the Trust  
20 Agreement by and between the City and the U.S. Bank Trust National Association, dated as  
21 of July 1, 2001, as amended and supplemented by a First Supplement to Trust Agreement  
22 (together, the "Trust Agreement"). The Certificates shall be comprised of, and designated as,  
23 the "City and County of San Francisco Refunding Certificates of Participation, Series 2004-R1  
24 (San Francisco Courthouse Project)" or such other designation as determined by the Director  
25 of Public Finance or her designee (together with the Director of Public Finance, the "Director

1 of Public Finance"). The Certificates shall have an aggregate principal amount not to exceed  
2 \$~~43,500,000~~45,000,000, with an interest rate not to exceed twelve percent (12%) per annum.  
3 The execution and delivery of the certificates of participation will result in debt service savings  
4 to the City on a present value basis of at least ~~three~~ two and seventy-five one hundredths percent  
5 (2.75%), calculated in accordance with Section 43.6.6. of the City's Administrative Code.  
6 Furthermore, the Acting Director of Public Finance is hereby authorized to determine the final terms,  
7 amounts, maturity, interest rates and other provisions of the Certificates subject to the provisions set  
8 forth herein; provided that the issuance of the Certificates would result in net debt service savings to  
9 the City on a present value basis of at least 2.75 percent, calculated in accordance with Section 43.6.6  
10 of the City's Administrative Code. To the extent deemed necessary by the Director of Public  
11 Finance, this Board authorizes the procurement of credit enhancement for the Certificates,  
12 including, but not limited to, municipal bond insurance and/or debt service reserve fund surety  
13 bond. Notwithstanding Section 12 hereof, the documents authorized herein may be modified  
14 or amended to permit the procurement of credit enhancement for the Certificates, to the  
15 extent deemed necessary by the Director of Public Finance, upon consultation with the City  
16 Attorney.

17 Section 2. Approval of the Supplemental Property and Facility Lease. The form of  
18 the First Supplement to Property and Facility Lease (the "Supplemental Property and Facility  
19 Lease") between the City and the U.S. Bank Trust National Association (the "Trustee"), as  
20 presented to this Board, a copy of which is on file with the Clerk of the Board, or her designee  
21 (together with the Clerk of the Board, the "Clerk of the Board"), is hereby approved. The  
22 Mayor, or his designee (together with the Mayor, the "Mayor"), is hereby authorized to execute  
23 the Supplemental Property and Facility Lease, and the Clerk of the Board is hereby  
24 authorized to attest to and to affix the seal of the City on the Supplemental Property and  
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1 Facility Lease, with such changes, additions, modifications or deletions as the Mayor may  
2 make or approve in accordance with Section 12 hereof.

3 Section 3. Approval of the Supplemental Project Lease. The form of the first  
4 supplement to project lease between the City and the Trustee (the "Supplemental Project  
5 Lease"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is  
6 hereby approved. The Mayor is hereby authorized to execute the Supplemental Project  
7 Lease, and the Clerk of the Board is hereby authorized to attest and to affix the seal of the  
8 City on the Supplemental Project Lease with such changes, additions, modifications or  
9 deletions as the Mayor may make or approve in accordance with Section 12 hereof, provided  
10 however, that the maximum Base Rental in connection with the Certificates scheduled to be  
11 paid under the Project Lease in any fiscal year shall not exceed \$4,350,000 and the term of  
12 the Project Lease shall not extend beyond 2031.

13 Section 4. Approval of the Supplemental Trust Agreement. The form of the first  
14 supplement to trust agreement between the City and the Trustee (the "Supplemental Trust  
15 Agreement"), as presented to this Board, a copy of which on file with the Clerk of the Board, is  
16 hereby approved. The Mayor is hereby authorized to execute the Supplemental Trust  
17 Agreement, and the Clerk of the Board is hereby authorized to attest to and affix the seal of  
18 the City on the Supplemental Trust Agreement, with such changes, additions, modifications or  
19 deletions as the Mayor may make or approve in accordance with Section 12 hereof.

20 Section 5. Approval of the Escrow Agreement. The form of the escrow agreement  
21 between the City and an BNY Western Trust Company (the "Escrow Agreement"), as  
22 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby  
23 approved. The Mayor is hereby authorized to execute the Escrow Agreement, and the Clerk  
24 of the Board is hereby authorized to attest to and affix the seal of the City on the Escrow  
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1 Agreement, with such changes, additions, modifications or deletions as the Mayor may make  
2 or approve in accordance with Section 12 hereof.

3 Section 6. Approval of Form of Official Notice of Sale. The form of the official notice  
4 of sale relating to the Certificates (the "Official Notice of Sale"), as presented to this Board, a  
5 copy of which is on file with the Clerk of the Board, is hereby approved. The Director of Public  
6 Finance is hereby authorized to approve the distribution of an Official Notice of Sale, with  
7 such changes, additions, modifications or deletions as the Director of Public Finance may  
8 approve upon consultation with the City Attorney; such approval to be conclusively evidenced  
9 by the distribution of the Official Notice of Sale to potential purchasers of the Certificates.

10 Section 7. Approval of Notice of Intention to Sell relating to the Certificates. The  
11 form of the notice of intention to sell relating to the Certificates (the "Notice of Intention to  
12 Sell"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is  
13 hereby approved. The Director of Public Finance is hereby authorized to approve the  
14 publication of the Notice of Intention to Sell, with such changes, additions, modifications or  
15 deletions as the Director of Public Finance may approve upon consultation with the City  
16 Attorney; such approval to be conclusively evidenced by the publication of the Notice of  
17 Intention to Sell.

18 Section 8. Approval of the Official Statement in Preliminary and Final Form. The  
19 form of the official statement relating to the Certificates (the "Official Statement"), as  
20 presented to this Board, a copy of which is on file in preliminary form with the Clerk of the  
21 Board, is hereby approved. The Director of Public Finance is hereby authorized to approve  
22 the distribution of the preliminary Official Statement, with such changes, additions,  
23 modifications or deletions as the Director of Public Finance may approve upon consultation  
24 with the City Attorney; such approval to be conclusively evidenced by the distribution of the  
25 preliminary Official Statement to potential purchasers of the Certificates. The Controller of the

1 City, or his designee (together with the Controller of the City, the "Controller"), is hereby  
2 authorized to execute, and the Director of Public Finance is hereby further authorized to  
3 approve the distribution of, the Official Statement in final form.

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

11 Section 10. Payment of Costs of Issuance. The Board hereby authorizes the  
12 expenditure of a portion of the proceeds of the Certificates for the payment of certain costs of  
13 issuance incurred in connection with the execution and delivery of the Certificates.

14 Section 11. General Authority. The Mayor, the City Attorney, the Controller, the City  
15 Administrator, the Director of Public Finance, the Clerk of the Board and other officers of the  
16 City and their duly authorized deputies and agents are hereby authorized and directed, jointly  
17 and severally, to take such actions and to execute and deliver such certificates, agreements,  
18 requests or other documents, as they may deem necessary or desirable to facilitate the  
19 execution and delivery of the Certificates and, to obtain bond insurance or other credit  
20 enhancements with respect to the Certificates and otherwise to carry out the provisions of this  
21 Resolution.

22 Section 12. Modifications, Changes, Additions or Deletions. The Mayor is hereby  
23 authorized to approve and make such modifications, changes, additions or deletions to the  
24 Supplemental Property and Facility Lease, the Supplemental Project Lease, the Supplemental  
25 Trust Agreement or the Escrow Agreement, including but not limited to substituting the

1 Trustee as escrow agent under the Escrow Agreement, upon consultation with the City  
2 Attorney, as may be necessary or desirable in the interests of the City, and which changes do  
3 not materially increase the obligations of the City under the Supplemental Property and  
4 Facility Lease, the Supplemental Project Lease, the Supplemental Trust Agreement or the  
5 Escrow Agreement. The Mayor's approval of such modifications, changes, additions or  
6 deletions shall be conclusively evidenced by the execution and delivery by the Mayor and the  
7 Clerk of the Board of the Supplemental Property and Facility Lease, the Supplemental Project  
8 Lease, the Supplemental Trust Agreement and the Escrow Agreement.

9 Section 13. Ratification of Prior Actions. All actions authorized and directed by this  
10 Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board.

11 Section 14. File Documents. All documents referred to as on file with the Clerk of the  
12 Board are in File No. \_\_\_\_\_.

13  
14 APPROVED AS TO FORM:

15 DENNIS J. HERRERA  
16 City Attorney

17  
18 By: \_\_\_\_\_  
19 THERESA ALVAREZ HACKETT  
20 Deputy City Attorney