

RESOLUTION NO. 96-99

(Adopted July 13, 1999)

**AUTHORIZING THE ISSUANCE OF REFUNDING SPECIAL
TAX BONDS IN AN AGGREGATE AMOUNT NOT TO
EXCEED \$4,000,000, AND APPROVING AND AUTHORIZING
RELATED DOCUMENTS AND ACTIONS
RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. The Agency has conducted proceedings under and pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code (the "Act"), to form Community Facilities District No. 1 (South Beach) (the "CFD"), and, for the CFD authorized the levy of special taxes upon the land within the CFD, and to issue bonds secured by such special taxes the proceeds of which were used to finance certain public facilities (the "Facilities"), all as described in those proceedings;

2. The Agency heretofore authorized, issued, sold and delivered its \$5,400,000 Community Facilities District No. 1 (South Beach), 1988 Special Tax Bonds (the "Prior Bonds"); and

3. The Agency now wishes to provide for the issuance of the special tax bonds to refund, in advance of their stated maturities, the Prior Bonds and there have been submitted to this Agency certain documents described below providing for the issuance of the special tax bonds for the CFD and the use of the proceeds of those bonds, and the Agency with the aid of its staff, has reviewed the documents and found them to be in proper order; and

4. For purposes of the sale of the special tax bonds, Jones Hall, A Professional Law Corporation, as disclosure counsel to the Agency, has caused to be prepared an Official Statement describing the special tax bonds, the preliminary form of which is on file with the Secretary; and

5. The Agency has duly considered such transactions, including, without limitation, the Fiscal Agent Agreement, as hereinafter defined, and the Official Statement, and wishes at this time to approve said transactions in the public interests of the Agency;

RESOLUTION

ACCORDINGLY, IT IS RESOLVED, by the Redevelopment Agency of the City and County of San Francisco (the "Agency"), that:

Section 1. Law Applicable. For the purposes of these proceedings in and for the CFD, the Act shall be the authority for the issuance of the Bonds.

Section 2. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, (as hereafter defined) the bonds of the Agency for the CFD designated

“Redevelopment Agency of the City and County of San Francisco, Community Facilities District No. 1 (South Beach), 1999 Refunding Special Tax Bond” (the “Bonds”) in an aggregate principal amount not to exceed \$4,000,000 are hereby authorized to be issued. The Bonds shall be dated and executed in the forms, be in the denominations, mature, be payable at the place and in the priorities and bear interest at the rates as set forth in and otherwise as provided in the Fiscal Agent Agreement (defined below). The Agency hereby finds that the Bonds constitute “refunding bonds” within the meaning of the Act because the proceeds thereof will be used to refund the Prior Bonds. For the purposes of these proceedings for the issuance of the Bonds, the Agency hereby determines that the total net interest cost to maturity on the Bonds, plus the principal amount of the Bonds is less than the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Bonds to be refunded. The Agency further finds and determines that it would be prudent in the management of its fiscal affairs to issue the Bonds to refund the Prior Bonds.

Section 3. Authorities Granted. The Executive Director, the Deputy Executive Director, Finance and Administration or such other official of the Agency as may be designated by the Agency (each an “Authorized Officer”) are hereby separately authorized and directed to execute and deliver the documents and instruments herein specified substantially in the forms lodged with the Agency General Counsel, with such additions thereto or changes therein as are approved by the Authorized Officer upon consultation with Agency’s bond counsel and Agency General Counsel, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Bonds, provided, however, that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$4,000,000. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the documents and instruments herein specified by the Authorized Officer.

Section 4. Fiscal Agent Agreement. The proposed form of the Fiscal Agent Agreement (the “Fiscal Agent Agreement”) between the City and U.S. Bank Trust National Association, as fiscal agent, (the “Fiscal Agent”) with respect to the Bonds, substantially in the form lodged with Agency General Counsel is hereby approved. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreement as finally executed. The terms and provisions of the Fiscal Agent Agreement, as finally executed, are incorporated herein by this reference as if fully set forth herein. The Authorized Officer is hereby authorized and directed to execute the Fiscal Agent Agreement on behalf of the Agency, subject to the terms of Section 3 hereof.

Section 5. Sale of Bonds. The sale of the Bonds to Stone & Youngberg LLC (the “Underwriter”) pursuant to a Bond Purchase Contract is hereby approved, and the Authorized Officer, is hereby authorized and directed for and in the name and on behalf of the Agency, to execute and deliver the Bond Purchase Contract, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with counsel to the Agency and bond counsel to the Agency; provided, however, that the true interest cost payable on the Bonds shall not exceed six percent (6%) per annum, and the purchase price paid by the Underwriter for the purchase of Bonds shall be not less than ninety-eight and one-half percent (98.5%) of the par amount thereof, excluding any original issue discount on the Bonds.

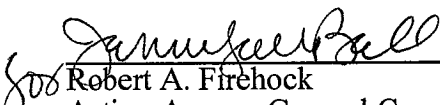
Section 6. Bond Preparation and Delivery. Upon completion of the sale thereof, the Bonds shall be prepared, executed and delivered to the Fiscal Agent for authentication, all in accordance with the terms of the executed Bond Purchase Agreement. The Fiscal Agent, the Authorized Officers and other responsible officers of the Agency are hereby authorized and directed to take such actions as are required under the executed Bond Purchase Agreement and the Fiscal Agent Agreement to cause the delivery of the Bonds upon receipt of the purchase price thereof from the Underwriter.

Section 7. Official Statement. The Agency hereby authorizes and directs the Authorized Officer to approve, and to deem nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement which describes the Agency and the Bonds. The Authorized Officer is hereby authorized and directed to execute and deliver (i) an appropriate certificate stating that the preliminary Official Statement has been deemed nearly final within the meaning of Rule 15c2-12, (ii) an appropriate certificate with respect to the contents of the final Official Statement and (iii) a Continuing Disclosure Agreement or Certificate in accordance with the further requirements of the Fiscal Agent Agreement and substantially in the form attached as an Appendix to the final Official Statement.

Section 8. Escrow Agreement. The form of Escrow Agreement by and between the City and U.S. Bank Trust National Association, as escrow holder, in substantially the form lodged with the Agency General Counsel (the "Escrow Agreement"), is hereby approved. The Authorized Officer is hereby directed to execute the same for the Agency. For the purposes hereof, the "Escrow Fund" established under the Escrow Agreement shall constitute the "refunding fund" under the Act and the "designated costs of issuing the refunding bonds" under the Act shall include the Costs of Issuance as defined in the Agreement and costs set forth in the Escrow Agreement.

Section 9. Actions Authorized. All actions heretofore taken by the officers, employees and agents of the Agency with respect to the establishment of the CFD and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the authorized officers of the Agency are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements 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, and other document described in the documents herein approved. All actions to be taken by a specified Authorized Officer as specified herein, may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.

APPROVED AS TO FORM:



Robert A. Firehock
Acting Agency General Counsel