

RESOLUTION NO. 174-2002

Adopted October 8, 2002

AUTHORIZING THE ISSUANCE OF VARIABLE RATE REVENUE BONDS FOR COMMUNITY FACILITIES DISTRICT NO. 4 (MISSION BAY NORTH PUBLIC IMPROVEMENTS) IN AN AMOUNT NOT TO EXCEED \$23,440,000, APPROVING AND DIRECTING THE EXECUTION OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, A SUPPLEMENT NO. 1 TO ACQUISITION AGREEMENT, A BOND PURCHASE CONTRACT AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Commission (the "Commission") of the Redevelopment Agency of the City and County of San Francisco (the "Agency") has conducted proceedings under and pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), to form the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 4 (Mission Bay North Public Improvements) (the "District"), to authorize the levy of special taxes upon the land within the District, to issue bonds the proceeds of which are to be used to finance certain public facilities and to establish an appropriation limit for the District, all as described in Resolution Nos. 213-99, 214-99 and 215-99 (collectively, the "District Formation Resolutions"), each adopted by the Commission on December 21, 1999; and
2. The Agency, for and on behalf of the District, has entered into an Indenture of Trust, dated as of June 1, 2001 (the "Indenture"), with Wells Fargo Bank, National Association, as trustee (the "Trustee"), and on June 21, 2001, the Agency issued \$16,560,000 aggregate principal amount of its Community Facilities District No. 4 (Mission Bay North Public Improvements) Variable Rate Revenue Bonds, Series 2001-North (the "Series 2001 Bonds"), the proceeds of which are to be used to finance various public capital improvements within the District; and
3. The Agency, for and on behalf of the District, has entered into an Acquisition Agreement, dated as of June 1, 2001 (the "Original Agreement"), with Catellus Development Corporation (the "Developer"), in order to identify and finance the acquisition of certain infrastructure development in the District and to provide for the payment therefor; and
4. The Original Agreement contemplated that the Developer would submit, from time to time, requests to supplement the Original Agreement; and
5. The following documents and instruments have been lodged with the Agency General Counsel: a First Supplemental Indenture of Trust (the "First Supplemental Indenture") supplementing the Indenture and providing for the issuance of a series of Parity Bonds (as defined in the Indenture and herein referred to as the "Bonds"), a Supplement No. 1 to

defined in the Indenture and herein referred to as the "Bonds"), a Supplement No. 1 to Acquisition Agreement (supplementing the Original Agreement), as well as a Preliminary Official Statement describing the Bonds (the "Preliminary Official Statement"), a Bond Purchase Contract to be used in connection with the sale of the Bonds (the "Purchase Contract") and a Remarketing Agreement related to the Bonds; and

6. The Indenture provides that the Agency may issue Parity Bonds as authorized by a supplemental Indenture, subject to certain conditions precedent as set forth in Section 2.10 of the Indenture, and the Agency will deliver a certificate to the Trustee indicating compliance with such conditions in connection with the delivery of the Bonds; and
7. The Indenture and the First Supplemental Indenture require that the payment of debt service on the Bonds be secured by a direct pay letter of credit (the "Letter of Credit") to be provided by a financial institution whose long term unsecured debt obligations are rated "A" or its equivalent or better by a national rating agency and whose letter of credit results in variable rate debt that is rated "A-1" or its equivalent or better by a national rating agency and that such a Letter of Credit shall be delivered in connection with the delivery of the Bonds.

FINDINGS

1. The Commission finds that the Bonds do not present any unusual credit risk due to the requirements of the Indenture and the First Supplemental Indenture that there be provided to the Trustee the Letter of Credit that will secure the payment of debt service on the Bonds. By reason of the foregoing, the Commission hereby waives the requirement for a three to one lien to value ratio for the Bonds otherwise required by the Agency's Local Goals and Policies for Community Facilities Districts, adopted by the Commission on November 16, 1999 pursuant to Resolution No. 178-99 (the "Local Goals and Policies").
2. Except as provided in the immediately preceding paragraph 1, the Commission finds that the Bonds, when issued pursuant to the Indenture, as amended and supplemented by the First Supplemental Indenture, will be in accordance with the Local Goals and Policies.
3. The Commission finds that the sale of the Bonds at negotiated sale as contemplated by the Purchase Contract will result in a lower overall cost.
4. The Commission has been advised and finds that all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the levy of the special taxes within the District as contemplated by this Resolution, the Indenture, as amended and supplemented by the First Supplemental Indenture, and the Preliminary Official Statement exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, THAT:

1. Pursuant to the Act, this Resolution and the Indenture, as amended and supplemented by the First Supplemental Indenture, bonds of the Agency for the District designated as "Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 4 (Mission Bay North Public Improvements) Variable Rate Revenue Bonds, Series 2002-North" (the "Bonds"), in an aggregate principal amount not to exceed \$23,440,000, are hereby authorized to be issued. The Bonds shall be executed in the form set forth in and otherwise as provided in the Indenture, as amended and supplemented by the First Supplemental Indenture.
2. The First Supplemental Indenture is hereby approved substantially in the form lodged with the Agency's General Counsel. Any one or more of the Executive Director, the Deputy Executive Director of Finance and Administration, or the authorized designee of any such officer (the Executive Director, the Deputy Executive Director of Finance and Administration, or the authorized designee of any such officer being hereinafter referred to as an "Authorized Officer"), are hereby authorized and directed to execute and deliver the First Supplemental Indenture in said form, with such additions thereto or changes therein as are approved by an Authorized Officer upon consultation with the Agency's General Counsel and Co-Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the First Supplemental Indenture by an Authorized Officer. 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 First Supplemental Indenture as finally executed.
3. The Purchase Contract between the Agency and Salomon Smith Barney Inc. and Jackson Securities LLC (collectively, the "Underwriters") is hereby approved substantially in the form lodged with the Agency's General Counsel. An Authorized Officer is hereby authorized and directed (i) to accept the offer of the Underwriters to purchase the Bonds contained in the Purchase Contract provided that, the aggregate principal amount of the Bonds sold thereby is not in excess of \$23,440,000, and the underwriters' fee is not in excess of One Hundred Thousand Dollars (\$100,000), and (ii) to execute and deliver the Purchase Contract in said form, with such additions thereto or changes therein as are recommended or approved by an Authorized Officer upon consultation with the Agency's General Counsel and Co-Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Purchase Contract by an Authorized Officer.
4. The official statement relating to the Bonds (the "Official Statement") is hereby approved substantially in the form of the Preliminary Official Statement lodged with the Agency's General Counsel, is hereby approved. An Authorized Officer is hereby authorized and directed to make revisions to the Preliminary Official Statement necessary to bring it into the form of a final Official Statement and execute the final Official Statement, with such


Statement, with such additions thereto or changes therein as are recommended or approved by an Authorized Officer upon consultation with the Agency's General Counsel and Co-Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of a final Official Statement by an Authorized Officer. The Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and are directed to deliver copies of a final Official Statement to all actual purchasers of the Bonds.

Any Authorized Officer is hereby authorized to execute a certificate or certificates to the effect that the Preliminary Official Statement was deemed "final" as of its date for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and is authorized to so deem such statement final.

5. The Remarketing Agreement is hereby approved substantially in the form lodged with the Agency's General Counsel. An Authorized Officer is hereby authorized and directed to execute and deliver the Remarketing Agreement in said form, with such additions thereto or changes therein as are approved by an Authorized Officer upon consultation with the Agency's General Counsel and Co-Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Remarketing Agreement by an Authorized Officer.
6. The Supplement No. 1 to Acquisition Agreement is hereby approved substantially in the form lodged with the Agency's General Counsel. An Authorized Officer is hereby authorized and directed to execute and deliver the Supplement No. 1 to Acquisition Agreement in said form with such additions thereto or changes therein as are approved by an Authorized Officer upon consultation with the Agency's General Counsel and Co-Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of Supplement No. 1 to Acquisition Agreement by an Authorized Officer.
7. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication and registration appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriters in accordance with written instructions executed on behalf of the Agency by an Authorized Officer, which instructions such officer is hereby authorized and directed to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriters in accordance with the Purchase Contract, upon payment of the purchase price therefor.

8. All actions heretofore taken by the officers and agents of the Agency with respect to the sale and issuance of the Bonds herein authorized and the expenditure of the proceeds of the Bonds, are hereby approved, confirmed and ratified, and the proper 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.

APPROVED AS TO FORM



for Bertha A. Ontiveros
Agency General Counsel