RESOLUTION NO. 41-2005

Adopted April 5, 2005

AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX BONDS FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS) IN AN AMOUNT NOT TO EXCEED $40,000,000, AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS;

HUNTERS POINT SHIPYARD 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 the Mello-Roos Community Facilities Act of 1982, as amended, 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 Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) (the “CFD”), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by said special taxes levied in the CFD (the "Bonds"), the proceeds of which are to be used to finance certain public improvements (the “Facilities”), all as described in those proceedings.

2. Agency staff and consultants have prepared an Indenture of Trust (the "Indenture") providing for the issuance of the Bonds and the use of the proceeds of the Bonds to finance the Facilities and related costs and expenses, an Official Statement describing the Bonds (the "Official Statement"), a Bond Purchase Agreement to be used in connection with the sale of the Bonds (the "Bond Purchase Agreement"), a Remarketing Agreement (the "Remarketing Agreement") providing for remarketing of the Bonds during the time they bear interest at a variable rate of interest, and an Acquisition Agreement providing for the terms under which the Agency and other public agencies will acquire the Facilities, among other documents.

FINDINGS

1. In furtherance of the issuance of the Bonds and pursuant to Section 53345.8 of the Act and the Agency’s Local Goals and Policies for Community Facilities Districts adopted by the Commission on November 16, 1999 by Resolution No. 178-99 (the “Local Goals and Policies”), the Commission finds that, although the value of the real property subject to the special tax levied pursuant to the Act to pay debt service on the Bonds is not at least three times the principal amount of the Bonds
Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the CFD or a special assessment levied on property within the CFD, the Bonds do not present any unusual credit risk because (A) the Bonds will initially be issued as variable interest rate bonds secured by a letter of credit meeting the requirements of the Local Goals and Policies and (B) the Bonds may convert to a fixed interest rate without credit enhancement only upon, among other requirements, demonstration that a 3:1 taxable property value to public lien ratio (excluding any Bonds still secured by a letter of credit) is met.

2. The Commission finds that the Bonds, when issued pursuant to the Indenture, will be in accordance with the Act and applicable provisions of policies of the Agency relating to the Bonds, including the Local Goals and Policies.

3. The Commission finds that the sale of the Bonds at a negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

4. The Commission 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 as contemplated by this Resolution, the Indenture and the 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, as follows:

1. Pursuant to the Act, this Resolution and the Indenture, issuance of bonds for the CFD designated the “Redevelopment Agency of the City and County of San Francisco, Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A” (the “Bonds”) in an aggregate principal amount not to exceed $40,000,000, is authorized pursuant to the Indenture in substantially the form lodged with the Agency General Counsel. The Bonds shall be in the form, shall mature, shall be payable in the priorities and shall bear interest at the rates as provided in the Indenture.

2. The Executive Director, the Deputy Director, Finance and Administration and a written designee of the Executive Director are each authorized to execute, and the Secretary is authorized to attest, the Indenture, substantially in the form lodged with the Agency General Counsel, together with such additions or changes as are approved by the Executive Director, the Deputy Director, Finance and Administration or a written designee of the Executive Director upon consultation with the Agency General Counsel and the Agency’s co-bond counsel. The
approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the Indenture by the Executive Director, the Deputy Director, Finance and Administration or a written designee of the Executive Director.

3. The Commission approves the Official Statement prepared in connection with the Bonds in substantially the form lodged with the Agency General Counsel. The Executive Director, the Deputy Director, Finance and Administration and a written designee of the Executive Director are each authorized to execute the Official Statement, substantially in the form of the Official Statement lodged with the Agency General Counsel, making such additions or changes as necessary in consultation with the Agency General Counsel and the Agency's co-bond counsel. Execution of the final Official Statement shall be conclusive evidence of the approval of the Official Statement by the Commission.

4. Stone & Youngberg LLC and Ramirez & Co., Inc. (collectively, the "Underwriters") are directed to deliver copies of the Official Statement to all purchasers of the Bonds.

5. The Executive Director, the Deputy Director, Finance and Administration and a written designee of the Executive Director are each authorized to accept the offer of the Underwriters to purchase the Bonds and to execute the Bond Purchase Agreement, substantially in the form lodged with the Agency General Counsel, together with such additions or changes as are approved by the Executive Director, the Deputy Director, Finance and Administration or a written designee of the Executive Director upon consultation with the Agency General Counsel and the Agency’s co-bond counsel; provided, however, (a) the aggregate principal amount of Bonds shall not exceed $40,000,000 and (b) the underwriters’ discount shall not exceed 0.6% of the aggregate principal amount of the Bonds.

6. The Executive Director, the Deputy Director, Finance and Administration and a written designee of the Executive Director are each authorized to execute the Remarketing Agreement with Stone & Youngberg LLC, as remarketing agent, in substantially the form lodged with the Agency General Counsel, together with such additions or changes as are approved by the Executive Director, the Deputy Director, Finance and Administration or a written designee of the Executive Director upon consultation with the Agency General Counsel and the Agency’s co-bond counsel.

7. The Executive Director, the Deputy Director, Finance and Administration and a written designee of the Executive Director are each authorized to execute the Acquisition Agreement with Lennar-BVHP, LLC, in substantially the form lodged with the Agency General Counsel, together with such additions or changes as are approved by the Executive Director, the Deputy Director, Finance and Administration or a written designee of the Executive Director upon consultation with the Agency General Counsel and the Agency’s co-bond counsel.
8. When executed, the Bonds shall be delivered to the Trustee for authentication. The Trustee is 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 the Bonds have been duly executed and authenticated and upon receipt of the purchase price of the Bonds, to the Underwriters in accordance with written instructions executed on behalf of the Agency by the Executive Director, the Deputy Director, Finance and Administration or a written designee of the Executive Director, who are each authorized to execute the written instructions and deliver them to the Trustee.

9. All actions taken by the officers and agents of the Agency with respect to the establishment of the CFD and the sale and issuance of the Bonds and the expenditure of the proceeds of the Bonds are approved, confirmed and ratified, and the Executive Director, the Deputy Director, Finance and Administration and a written designee of the Executive Director are each authorized 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:

[Signature]

James B. Morales
Agency General Counsel