

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Resolution No. 2013- 09**

**A Resolution to Approve the Financing for the Acquisition of Office Space  
At 375 Beale Street, San Francisco and the Related Documents**

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District (Air District) has the statutory authority to lease (as lessee and lessor) and purchase real and personal property pursuant to Health & Safety Code Sections 40200, 40220 and 40700-40701;

WHEREAS, the Air District has entered into a 390 Main Street Office Lease (Office Lease) with the Bay Area Headquarters Authority (Headquarters Authority) for the use and possession by the Air District of office space at 375 Beale Street (formerly 390 Main Street), San Francisco, California (Leased Property);

WHEREAS, pursuant to the Office Lease the Headquarters Authority has granted the Air District an option to purchase the Leased Property, which the Air District intends to exercise when the Leased Property is ready for its use and occupancy (Acquisition);

WHEREAS, the Headquarters Authority has offered to finance the Air District's Acquisition of the Leased Property through entry into a financing lease arrangement with the Air District in which certificates of participation in the financing lease will be executed and delivered and purchased by the Headquarters Authority (2013 Certificates);

WHEREAS, the Air District's staff and advisors have indicated that the terms of such financing are favorable to the Air District;

WHEREAS, in connection with the execution and delivery of the 2013 Certificates, the Air District and the Headquarters Authority propose to enter into: (i) a Site and Facilities Lease (as hereinafter defined) pursuant to which the Air District will agree to lease the Leased Property to the Headquarters Authority, and (ii) a Facilities Sublease (as hereinafter defined), pursuant to which the Headquarters Authority will agree to sublease the Leased Property back to the Air District in consideration for which the Air District will agree to make option payments prior to the Acquisition (Option Payments), base rental payments following the Acquisition (Base Rental) and additional rental payments;

WHEREAS, the Headquarters Authority proposes to assign and transfer to The Bank of New York Mellon Trust Company, N.A., as trustee (Trustee), pursuant to an Assignment Agreement (as hereinafter defined), all of its rights, title and interests (excluding its rights to indemnification and payment or reimbursement of its costs and expenses) in and to the Site and Facilities Lease and the Facilities Sublease, including the right to receive Option Payments and payments of Base Rental under the Facilities Sublease;

WHEREAS, the 2013 Certificates will represent proportionate interests of the owners thereof in rights under the Facilities Sublease including, without limitation, the right to receive Option Payments and payments of Base Rental thereunder;

WHEREAS, the Headquarters Authority, the Air District and the Trustee propose to enter into a Trust Agreement (as hereinafter defined) to, among other things, fix and declare the terms and conditions upon which the 2013 Certificates are to be executed, delivered, secured and accepted and to secure the payment thereof and the interest with respect thereto;

WHEREAS, Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch) is serving as Placement Agent to the Air District in connection with the sale of the 2013 Certificates;

WHEREAS, the Headquarters Authority will purchase the 2013 Certificates pursuant to the terms of a Purchase Contract (as hereinafter defined);

WHEREAS, the Air District desires to participate in the execution and delivery of the 2013 Certificates pursuant to and in accordance with the Trust Agreement, and to approve all proper and necessary documents and transactions in connection therewith; and

WHEREAS, the Air District is authorized to undertake all of the above pursuant to the laws of the State of California.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby resolve, determine and order as follows:

Section 1. The proposed form of Site and Facilities Lease (BAAQMD Office Project) (Site and Facilities Lease), by and between the Air District and the Headquarters Authority in substantially the form presented at this meeting and on file with the Clerk of the Board, is hereby approved. The Air District Executive Officer / Air Pollution Control Officer (Executive Officer) and any other authorized officers of the Air District acting on behalf of the Air District Executive Officer (each an Authorized Representative and, collectively, the Authorized Representatives) are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Air District, to execute and deliver the Site and Facilities Lease in substantially the form presented at this meeting and on file with the Clerk of the Board, with such changes therein as such Authorized Representative executing and delivering such document may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The proposed form of Facilities Sublease (BAAQMD Office Project) (Facilities Sublease), by and between the Air District and the Headquarters Authority and in substantially the form presented at this meeting and on file with the Clerk of the Board, is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Air District, to execute and deliver the Facilities Sublease substantially in the form presented at this meeting and on file with the Clerk of the Board, with such changes therein as the Authorized Representative executing and delivering such document may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed form of Trust Agreement (BAAQMD Office Project) (Trust Agreement), by and among the Air District, the Headquarters Authority and the Trustee and in substantially the form presented at this meeting and on file with the Clerk of the Board, is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Air District, to execute and deliver the Trust Agreement in substantially the form presented at this meeting and on file with the Clerk of the Board, with such changes therein as such Authorized Representative executing and delivering such document may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Placement Agent Agreement (Placement Agent Agreement), by and between the Air District and Merrill Lynch, in substantially the form presented at this meeting and on file with the Clerk of the Board, is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Air District, to execute and deliver the Placement Agent Agreement, in substantially the form presented at this meeting and on file with the Clerk of the Board with such changes therein as such Authorized Representative executing and delivering such document may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Purchase Contract (Purchase Contract), by and between the Air District and the Headquarters Authority, in substantially the form presented at this meeting and on file with the Clerk of the Board, is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Air District, to execute and deliver the Purchase Contract, in substantially the form presented at this meeting and on file with the Clerk of the Board with such changes therein as such Authorized Representative executing and delivering such document may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Air District hereby approves the execution and delivery of the 2013 Certificates by the Trustee in an amount not to exceed \$30,000,000 and the sale of the 2013 Certificates pursuant to the Purchase Contract.

Section 7. All actions heretofore taken by any officer of the Air District with respect to the execution, delivery and sale of the 2013 Certificates or in connection with or related to any of the agreements referred to herein, to the leasing or subleasing of the Leased Property or to the financing of the Acquisition are hereby approved, confirmed and ratified.

Section 8. The Authorized Representatives are, and each of them acting alone is, authorized and directed to take any and all such actions, and to execute and deliver any and all such agreements, documents, certificates or other instruments as may be necessary or desirable to effectuate the purposes of this Resolution and the financing of the Acquisition.

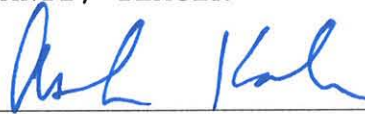
The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director PIEPHO, seconded by Director SPERING, on the 7th day of AUGUST 2013

by the following vote of the Board:

AYES: AVALOS, BARRETT, BATES, GIOIA, GROOM, HAGGERTY, KALRA, KLATT, KNISS, MAR, MILEY, PEPPER, PIEPHO, ROSS, SPERING WAGENKNECHT, ZANE

NOES: NONE

ABSENT: ADAMS, HUDSON, LEE, SBRANTI, YEAGER



ASH KALRA  
Chairperson of the Board of Directors

ATTEST:



CAROLE GROOM  
Secretary of the Board of Directors