

1 [2002 San Francisco Unified School District General Obligation Bond Sale]

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3 **Resolution authorizing and directing the sale of not to exceed \$29,480,000 City and**  
4 **County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 –**  
5 **San Francisco Unified School District), Series 2002\_;** prescribing the form and terms of  
6 **said Bonds; authorizing the execution, authentication and registration of said Bonds;**  
7 **providing for the appointment of depositories and other agents for said Bonds; providing**  
8 **for the establishment of accounts related thereto; approving the forms of Official Notice**  
9 **of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of**  
10 **Intention to Sell Bonds; approving the form and execution of the official statement**  
11 **relating thereto; approving the form and execution of the Continuing Disclosure**  
12 **Certificate; approving modifications to documents; ratifying certain actions previously**  
13 **taken; and granting general authority to City Officials to take necessary actions in**  
14 **connection with the authorization, issuance, sale and delivery of said Bonds.**

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16 WHEREAS, By Resolution No. 1018-97, adopted on November 10, 1997 (the  
17 “Authorizing Resolution”), the Board of Supervisors of the City and County of San Francisco (the  
18 “Board”) authorized the issuance of its Educational Facilities Bonds, 1997 in an aggregate  
19 principal amount of \$140,000,000, and by Resolution No. 149-98 adopted on March 2, 1998 (as  
20 amended by Resolution 137-99 adopted on March 1, 1999) the Board authorized and directed  
21 the sale of said bonds for use by the San Francisco Unified School District, and on June 29,  
22 1999 the City and County of San Francisco (the "City") issued \$60,520,000 of such bonds; and,

23 WHEREAS, By the Authorizing Resolution, Resolution No. 1027-97, adopted on  
24 November 10, 1997, Resolution No. 149-98, adopted on March 2, 1998, Resolution No. 137-99  
25 amending Resolution No. 149-98 adopted on March 1, 1999 and Resolution No. 379-00,

1 adopted on May 1, 2000, the Board authorized and directed the sale of the Educational Facilities  
2 Bonds, 1997 for use by the Community College District; and,

3 WHEREAS, The City has issued an aggregate total of \$50,000,000 of Educational  
4 Facilities Bonds, 1997 – Community College District; and,

5 WHEREAS, It is necessary and desirable to issue an additional and final series of said  
6 bonds in an aggregate principal amount of \$29,480,000 and designated as City and County of  
7 San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 - San Francisco  
8 Unified School District), Series 2002\_\_ (the “Bonds”); and,

9 WHEREAS, The Bonds are being issued pursuant to the Authorizing Resolution and Title  
10 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government Code (the "Act"), the  
11 Charter of the City and a duly held election; and,

12 WHEREAS, The San Francisco Unified School District (the “District”) expects to pay  
13 certain expenditures in connection with the projects to be financed by the Bonds prior to the  
14 issuance and sale of the Bonds, and the City and County of San Francisco (the “City”) intends to  
15 reimburse the District for such prior expenditures from the proceeds of the Bonds; and,

16 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the Internal  
17 Revenue Code of 1986 (the “Treasury Regulations”) requires the City to declare its reasonable  
18 official intent to reimburse prior expenditures with the proceeds of a subsequent borrowing; and,

19 WHEREAS, The Treasury Regulations require that any reimbursement allocation of  
20 proceeds of the Bonds to be made with respect to expenditures incurred prior to the issuance of  
21 the Bonds will occur not later than eighteen (18) months after the later of (i) the date on which  
22 the expenditure is paid or (ii) the date on which the facilities are placed in service, but in no event  
23 later than three (3) years after the expenditure is paid; and,

24 WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds  
25 within the meaning of Section 864 of the California Code of Civil Procedure; now, therefore, be it

1 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as  
2 follows:

3 Section 1. Recitals. All of the recitals herein are true and correct.

4 Section 2. Conditions Precedent. All conditions, things and acts required by law to exist,  
5 to happen and to be performed precedent to and in the issuance of the Bonds exist, have  
6 happened and have been performed in due time, form and manner in accordance with  
7 applicable law, and the City is now authorized pursuant to its Charter and applicable law to incur  
8 indebtedness in the manner and form provided in this Resolution.

9 Section 3. Documents. The documents presented to this Board of Supervisors and on  
10 file with the Clerk of the Board of Supervisors, or his or her designee (the "Clerk of the Board of  
11 Supervisors") are contained in File No. \_\_\_\_\_.

12 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes the  
13 issuance and sale of not to exceed \$29,480,000 aggregate principal amount of bonds to be  
14 designated as "City and County of San Francisco General Obligation Bonds (Educational  
15 Facilities Bonds, 1997 – San Francisco Unified School District), Series 2002\_" for the purposes  
16 set forth in the Authorizing Resolution. The Director of Public Finance of the City or his or her  
17 designee (the "Director of Public Finance") is hereby authorized to determine the sale date, the  
18 maturity dates and the redemption dates of the Bonds, subject to the following terms and  
19 conditions: (i) No Bond shall bear interest at a rate in excess of 12% and (ii) No Bonds shall have  
20 a final maturity date after [June 15, 2026]. The Director of Public Finance is further authorized to  
21 give the Bonds and any accounts created hereunder for such Bonds such additional or other  
22 series designation as may be necessary or appropriate to distinguish such series from every  
23 other series and from other bonds issued by the City.

24 Section 5. Execution, Authentication and Registration of the Bonds. The Bonds shall be  
25 in fully registered form without coupons in denominations of \$5,000 or any integral multiple

1     thereof. The officers of the City are hereby directed to cause the Bonds to be prepared in  
2     sufficient quantity for delivery to the purchaser thereof and are hereby directed to cause the  
3     blanks therein to be completed in accordance with the Authorizing Resolution, to cause the seal  
4     of the City to be reproduced or impressed thereon, to procure their execution by the proper  
5     officers of the City, and to deliver the Bonds when so executed to said purchaser in exchange for  
6     the purchase price thereof.

7             The Bonds and the certificate of authentication and registration of the Treasurer of the  
8     City or his or her designee (the "City Treasurer") and the form of assignment to appear thereon  
9     shall be substantially in the form attached hereto as Exhibit A (a copy of which is on file with the  
10    Clerk of the Board of Supervisors and which is hereby declared to be a part of this Resolution as  
11    if fully set forth herein) with necessary or appropriate variations, omissions and insertions as  
12    permitted or required by this Resolution.

13            Only such of the Bonds as shall bear thereon a certificate of authentication and  
14    registration in the form herein recited, executed by the City Treasurer, shall be valid or obligatory  
15    for any purpose or entitled to the benefits of this Resolution, and such certificate of the City  
16    Treasurer, executed as herein provided, shall be conclusive evidence that the Bonds so  
17    authenticated have been duly authenticated and delivered hereunder and are entitled to the  
18    benefits of this Resolution.

19            The City Treasurer shall assign a distinctive letter, or number, or letter and number to  
20    each Bond authenticated and registered by him or her and shall maintain a record thereof which  
21    shall be available for inspection.

22            Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at the  
23    office of the City Treasurer, sufficient books for the registration and transfer of the Bonds, which  
24    shall at all times be open to inspection, and upon presentation for such purpose, the City  
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1 Treasurer shall, under such reasonable regulations as he or she may prescribe, register or  
2 transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

3 Section 7. Transfer or Exchange of Bonds. Any Bond may, in accordance with its terms,  
4 be transferred upon the bond registration books required to be kept pursuant to the provisions of  
5 Section 6 hereof (the “bond registration books”), by the person in whose name it is registered, in  
6 person or by the duly authorized attorney of such person in writing, upon surrender of such Bond  
7 for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a  
8 form approved by the City Treasurer.

9 Any Bonds may be exchanged at the office of the City Treasurer for a like aggregate  
10 principal amount of other authorized denominations of the same interest rate and maturity.

11 Whenever any Bond shall be surrendered for transfer or exchange, the designated City  
12 officials shall execute (as provided in Section 5 hereof) and the City Treasurer shall authenticate  
13 and deliver a new Bond or Bonds of the same interest rate and maturity in a like aggregate  
14 principal amount. The City Treasurer shall require the payment by any bond owner requesting  
15 any such transfer of any tax or other governmental charge required to be paid with respect to  
16 such transfer or exchange.

17 No transfer or exchange of Bonds shall be required to be made by the City Treasurer  
18 during the period from the Record Date (as defined herein) next preceding each interest  
19 payment date to such interest payment date or after a notice of redemption shall have been  
20 mailed with respect to such Bond.

21 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall each  
22 be dated the date of delivery or such other date (the “Dated Date”) as specified in the award to  
23 be made pursuant to Section 13 hereof (the “Bond Award”). The Bonds shall bear interest from  
24 the Dated Date until maturity (at rates to be determined upon sale of the Bonds) calculated on  
25 the basis of a 360-day year comprised of twelve 30-day months, payable on December 15,

1 20\_\_\_, and semiannually thereafter on June 15 and December 15 of each year (or such other  
2 dates as may be designated in the Bond Award).

3 The principal of the Bonds shall be payable in lawful money of the United States of  
4 America to the owner thereof, upon the surrender thereof at maturity or earlier redemption at the  
5 office of the City Treasurer. The interest on the Bonds shall be payable in like lawful money to  
6 the person whose name appears on the bond registration books of the City Treasurer as the  
7 owner thereof as of the close of business on the last day of the month immediately preceding an  
8 interest payment date (the "Record Date"), whether or not such day is a Business Day (as herein  
9 defined).

10 Each Bond shall bear interest from the interest payment date next preceding the date of  
11 authentication thereof unless it is authenticated as of a day during the period from the Record  
12 Date next preceding any interest payment date to the interest payment date, inclusive, in which  
13 event it shall bear interest from such interest payment date, or unless it is authenticated on or  
14 before [November 30, 2002] (or such other date as may be designated in the Bond Award), in  
15 which event it shall bear interest from the Dated Date; provided, however, that if, at the time of  
16 authentication of any Bond, interest is in default on the Bonds, such Bond shall bear interest  
17 from the interest payment date to which interest has previously been paid or made available for  
18 payment on the Bonds or from the Dated Date if the first interest payment is not made. Payment  
19 of the interest on any Bond shall be paid by check mailed to such owner at such owner's address  
20 as it appears on the bond registration books as of the Record Date; provided, however, if any  
21 interest payment occurs on a day that banks in either California and New York are closed for  
22 business, then such payment shall be made on the next succeeding day that banks in both  
23 California and New York are open for business and the New York Stock Exchange is open for  
24 business (a "Business Day"); and provided, further, that the registered owner of an aggregate  
25 principal amount of at least \$1,000,000 of the Bonds may submit a written request to the City

1 Treasurer on or before a Record Date preceding an interest payment date for payment of  
2 interest by wire transfer to a commercial bank located within the continental United States. For  
3 so long as Cede & Co. or its registered assignee is the registered owner of all of the Bonds,  
4 payment shall be made by wire transfer of immediately available funds to Cede & Co.

5 The Bonds maturing on or before June 15, 200\_ (or such other date as may be  
6 designated in the Bond Award) shall not be subject to optional redemption prior to maturity. The  
7 Bonds maturing on or after June 15, 200\_ (or such other date as may be designated in the Bond  
8 Award) are subject to optional redemption prior to their respective stated maturities, at the option  
9 of the City, from any source of available funds, as a whole or in part on any date (with the  
10 maturities to be redeemed to be determined by the City and by lot within a maturity) on or after  
11 June 15, 200\_ (or such other date as may be designated in the Bond Award), at redemption  
12 prices equal to 102% of the principal amount redeemed in the first year the Bonds are subject to  
13 optional redemption (with such redemption price declining to 100% at the rate of 1% annually),  
14 together with accrued interest to the date of redemption, or such other redemption prices as may  
15 be designated in the Bond Award.

16 The Bonds shall be subject to mandatory redemption at par, by lot, in any year for which  
17 the successful bidder therefor has designated that the principal amount payable with respect to  
18 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice of  
19 Sale (as more fully described in Section 13 hereof). Any Bonds subject to mandatory  
20 redemption shall be designated as such in the Bond Award. The principal and interest on the  
21 Bonds subject to mandatory redemption shall be paid from the Series 2002\_ Bond Account (as  
22 defined in Section 9 hereof) pursuant to Section 9 hereof. In lieu of any such mandatory  
23 redemption, at any time prior to the selection of the Bonds for redemption, the City may apply  
24 such amounts on deposit in the Series 2002\_ Bond Account to make such payment for the  
25 purchase of Bonds subject to such redemption at public or private sale, as and when and at such

1 prices not in excess of the principal amount thereof (including brokerage and other charges but  
2 excluding accrued interest), as the City may determine.

3 The date on which the Bonds which are called for redemption are to be presented for  
4 redemption is herein sometimes called the "redemption date." Notice of any redemption of  
5 Bonds shall be mailed, not less than thirty (30) nor more than sixty (60) days prior to the  
6 redemption date, with postage prepaid, to the respective registered owners thereof at the  
7 addresses appearing on the bond registration books. The notice of redemption shall (a) state  
8 the redemption date; (b) state the redemption price; (c) state the dates of maturity of the Bonds  
9 and, if less than all of any such maturity is called for redemption, the distinctive numbers of the  
10 Bonds of such maturity to be redeemed, and in the case of Bonds redeemed in part only, the  
11 respective portions of the principal amount thereof to be redeemed; (d) state the CUSIP number,  
12 if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the owners  
13 at the  
14 office of the City Treasurer or his or her agent; and (f) give notice that interest on such Bonds will  
15 cease to accrue after the designated redemption date.

16 The actual receipt by the owner of any Bond of notice of such redemption shall not be a  
17 condition precedent to redemption, and failure to receive such notice, or any defect in such  
18 notice, shall not affect the validity of the proceedings for the redemption of such Bonds or the  
19 cessation of accrual of interest on the redemption date.

20 At least five (5) days before the above notice date, notice also shall be given by  
21 (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission or  
22 (iii) overnight delivery service, to (a) all organizations registered with the Securities and  
23 Exchange Commission as securities depositories, (b) to at least two information services of  
24 national recognition which disseminate redemption information with respect to municipal  
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1 securities, and (c) such other services or organizations as may be further required in  
2 accordance with the Continuing Disclosure Certificate described in Section 18 hereof.

3 The notice or notices required for redemption shall be given by the City Treasurer, or any  
4 agent appointed by the City. A certificate of the City Treasurer or such other appointed agent of  
5 the City that notice of redemption has been given to the owner of any Bond in accordance with  
6 this Resolution shall be conclusive against all parties.

7 At the time the City Treasurer or the Controller of the City or his or her designee (the  
8 "Controller") determines to optionally call and redeem any of the Bonds, the City Treasurer or his  
9 or her agent shall establish a redemption account to be described or known as the "General  
10 Obligation Bonds (Educational Facilities Bonds, 1997 – San Francisco Unified School District),  
11 Series 2002\_ Redemption Account" (the "Series 2002\_ Redemption Account") and prior to or on  
12 the redemption date there must be set aside in said Series 2002\_ Redemption Account moneys  
13 available for the purpose and sufficient to redeem as provided in this Resolution, the Bonds  
14 designated in said notice of redemption. Said moneys must be set aside in the Series 2002\_  
15 Redemption Account solely for the purpose of, and shall be applied on or after the redemption  
16 date to, payment of the redemption price of the Bonds to be redeemed upon presentation and  
17 surrender of such Bonds. Any interest due on or prior to the redemption date may be paid from  
18 the Series 2002\_ Bond Account as provided in Section 9 hereof or from the Series 2002\_  
19 Redemption Account. Moneys held from time to time in the Series 2002\_ Redemption Account  
20 may be invested in any investment of the City in which moneys in the General Fund of the City  
21 are invested or pursuant to any resolution authorizing the issuance of refunding bonds or escrow  
22 agreement relating thereto. If, after all of the Bonds have been redeemed and canceled or paid  
23 and canceled, there are moneys remaining in said Series 2002\_ Redemption Account, said  
24 moneys shall be transferred to the General Fund of the City; provided, however, that if said  
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1 moneys are part of the proceeds of refunding bonds, said moneys shall be transferred pursuant  
2 to the resolution authorizing such refunding bonds.

3 When notice of optional redemption has been given, substantially as provided herein, and  
4 when the amount necessary for the redemption of the Bonds called for redemption (principal and  
5 premium, if any) is set aside for that purpose in said Series 2002\_ Redemption Account, as  
6 provided herein, the Bonds designated for redemption shall become due and payable on the  
7 date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the  
8 place specified in the notice of redemption, such Bonds shall be redeemed and paid at said  
9 redemption price out of said Series 2002\_ Redemption Account. No interest will accrue on such  
10 Bonds called for redemption after the redemption date and the registered owners of such Bonds  
11 shall look for payment of such Bonds only to said Series 2002\_ Redemption Account. All Bonds  
12 redeemed shall be canceled forthwith by the City Treasurer and shall not be reissued.

13 The City may rescind any optional redemption and notice thereof for any reason on any  
14 date prior to the date fixed for redemption by causing written notice of the rescission to be given  
15 to the owners of all Bonds so called for redemption. Any optional redemption and notice thereof  
16 shall be rescinded if for any reason on the date fixed for redemption funds are not or will not be  
17 available in the Series 2002\_ Redemption Account in an amount sufficient to pay in full on said  
18 date the principal of, interest, and any premium due on the Bonds called for redemption. Notice  
19 of rescission of redemption shall be given in the same manner notice of redemption was  
20 originally given. The actual receipt by the owner of any Bond of notice of such rescission shall  
21 not be a condition precedent to rescission, and failure to receive such notice or any defect in  
22 such notice shall not affect the validity of the rescission.

23 Section 9. Series 2002 Bond Account. There is hereby established with the City  
24 Treasurer a special subaccount in the General Obligation Bonds (Educational Facilities  
25 Bonds, 1997 – San Francisco Unified School District) Bond Account (the "Bond Account")

1 created pursuant to the Authorizing Resolution, to be designated the "General Obligation  
2 Bonds (Educational Facilities Bonds, 1997—San Francisco Unified School District), Series  
3 2002\_ Bond Account (the "Series 2002\_ Bond Account"), to be held separate and apart from  
4 all other accounts of the City. All interest earned on amounts on deposit in the Series 2002\_  
5 Bond Account shall be retained in the Series 2002\_ Bond Account.

6 On or prior to the date on which any payment of principal or interest on the Bonds is  
7 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer  
8 shall allocate to and deposit in the Series 2002\_ Bond Account, from amounts held in the  
9 Bond Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when  
10 added to any available moneys contained in the Series 2002\_ Bond Account, is sufficient to  
11 pay principal and interest on the Bonds on such date.

12 On or prior to the date on which any Bonds are to be redeemed at the option of the City  
13 pursuant to this Resolution, the City Treasurer may allocate to and deposit in the Series  
14 2002\_ Redemption Account, from amounts held in the Bond Account pursuant to Section 8 of  
15 the Authorizing Resolution, an amount which, when added to any available moneys contained  
16 in the Series 2002\_ Bond Account, is sufficient to pay principal and interest and any premium  
17 on the Bonds on such date. The City Treasurer may make such other provision for the  
18 payment of principal and interest and any redemption premium on the Bonds to be redeemed  
19 as is necessary or convenient to permit the optional redemption of the Bonds.

20 Amounts in the Series 2002\_ Bond Account may be invested in any investment of the  
21 City in which moneys in the General Fund of the City are invested. The City Treasurer may  
22 commingle any of the moneys held in the Series 2002\_ Bond Account with other City moneys  
23 or deposit amounts credited to the Series 2002\_ Bond Account into a separate fund or funds  
24 for investment purposes only; *provided, however,* that all of the moneys held in the Series  
25 2002\_ Bond Account hereunder shall be accounted for separately notwithstanding any such

1 commingling or separate deposit by the City Treasurer. Any bid premium and accrued  
2 interest received upon the sale of the Bonds shall be deposited into the Series 2002\_ Bond  
3 Account.

4 Section 10. Series 2002 Project Account. There is hereby established with the City  
5 Treasurer a special subaccount in the General Obligation Bonds (Educational Facilities  
6 Bonds, 1997 – San Francisco Unified School District) Project Account (the "Project Account")  
7 created pursuant to the Authorizing Resolution, to be designated the "General Obligation  
8 Bonds (Educational Facilities Bonds, 1997 – San Francisco Unified School District), Series  
9 2002\_ Project Account (the "Series 2002\_ Project Account"), to be held separate and apart  
10 from all other accounts of the City. All interest earned on amounts on deposit in the Series  
11 2002\_ Project Account shall be retained in the Series 2002\_ Project Account. Amounts in the  
12 Series 2002\_ Project Account shall be expended for the acquisition, construction and  
13 reconstruction of educational facilities in accordance with the provisions of the Authorizing  
14 Resolution.

15 Amounts in the Series 2002\_ Project Account may be invested in any investment of the  
16 City in which moneys in the General Fund of the City are invested. The City Treasurer may  
17 commingle any of the moneys held in the Series 2002\_ Project Account with other City  
18 moneys or deposit amounts credited to the Series 2002\_ Project Account into a separate fund  
19 or funds for investment purposes only; *provided, however*, that all of the moneys held in the  
20 Series 2002\_ Project Account hereunder shall be accounted for separately notwithstanding  
21 any such commingling or separate deposit by the City Treasurer.

22 The City Treasurer is hereby authorized to pay or cause to be paid from the proceeds  
23 of the Bonds, on behalf of the City, the costs of issuance associated with the Bonds. Costs of  
24 issuance of the Bonds shall include, without limitation, bond and financial printing expenses,  
25 mailing and publication expenses, rating agency fees, the fees and expenses of paying

1 agents, registrars, financial consultants and bond counsel and the reimbursement of  
2 departmental expenses in connection with the issuance of the Bonds.

3 Section 11. Appointment of Depositories and Other Agents. The City Treasurer is  
4 hereby authorized and directed to appoint one or more depositories as he or she may deem  
5 desirable and the procedures set forth in Section 8 hereof relating to payments and redemption  
6 notices to owners of the Bonds may be modified to comply with the policies and procedures of  
7 such depository. Neither the City nor the City Treasurer will have any responsibility or obligation  
8 to any purchaser of a beneficial ownership interest in any Bonds or to any participants in such a  
9 depository with respect to (i) the accuracy of any records maintained by such securities  
10 depository or any participant therein; (ii) any notice that is permitted or required to be given to the  
11 owners of the Bonds under this Resolution; (iii) the selection by such securities depository or any  
12 participant therein of any person to receive payment in the event of a partial redemption of the  
13 Bonds; (iv) the payment by such securities depository or any participant therein of any amount  
14 with respect to the principal or redemption premium, if any, or interest due with respect to the  
15 Bonds; (v) any consent given or other action taken by such securities depository as the owner of  
16 the Bonds; or (vi) any other matter.

17 The City Treasurer is also hereby authorized and directed to appoint one or more agents  
18 as he or she may deem necessary or desirable. To the extent permitted by applicable law and  
19 under the supervision of the City Treasurer, such agents may serve as paying agent, fiscal  
20 agent, escrow agent or registrar for the Bonds or may assist the City Treasurer in performing any  
21 or all of such functions and such other duties as the City Treasurer shall determine. Such agents  
22 shall serve under such terms and conditions as the City Treasurer shall determine. The City  
23 Treasurer may remove or replace agents appointed pursuant to this paragraph at any time.

24 Section 12. Defeasance Provisions. Payment of all or any portion of the Bonds may be  
25 provided for prior to maturity by irrevocably depositing with the City Treasurer (or any

1 commercial bank or trust company designated by the City Treasurer to act as escrow agent with  
2 respect thereto):

3 (a) An amount of cash equal to the principal amount of all of such Bonds or a  
4 portion thereof, and all unpaid interest thereon to maturity, except that in the case of Bonds  
5 which are to be redeemed prior to maturity and in respect of which notice of such redemption  
6 shall have been given as provided in Section 8 hereof or an irrevocable election to give such  
7 notice shall have been made by the City, the amount to be deposited shall be the principal  
8 amount thereof, all unpaid interest thereon to the redemption date, and any premium due on  
9 such redemption date; or

10 (b) Defeasance Securities (as herein defined) not subject to call, except as  
11 provided below in the definition thereof, maturing and paying interest at such times and in such  
12 amounts, together with cash, if required, as will, without reinvestment, as certified by an  
13 independent certified public accountant, be fully sufficient to pay the principal and all unpaid  
14 interest to maturity, or to the redemption date, as the case may be, and any premium due on the  
15 Bonds to be paid or redeemed, as such principal and interest come due; provided, that, in the  
16 case of the Bonds which are to be redeemed prior to maturity, notice of such redemption shall be  
17 given as provided in Section 8 hereof or an irrevocable election to give such notice shall have  
18 been made by the City; then, all obligations of the City with respect to said outstanding Bonds  
19 shall cease and terminate, except only the obligation of the City to pay or cause to be paid from  
20 the funds deposited pursuant to paragraphs (a) or (b) of this Section 12, to the owners of said  
21 Bonds all sums due with respect thereto; provided, that the City shall have received an opinion of  
22 nationally recognized bond counsel, that provision for the payment of said Bonds has been  
23 made in accordance with this Section 12.

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1 For purposes of this Section 12, "Defeasance Securities" shall mean any of the following  
2 which at the time are legal investments under the laws of the State of California for the moneys  
3 proposed to be invested therein:

4 (1) United States Obligations (as herein defined); and

5 (2) Pre-refunded fixed interest rate municipal obligations meeting the following  
6 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the  
7 trustee has been given irrevocable instructions concerning their calling and redemption and the  
8 issuer has covenanted not to redeem such obligations other than as set forth in such  
9 instructions; (b) the municipal obligations are secured by cash and/or United States Obligations;  
10 (c) the principal of and interest on the United States Obligations (plus any cash in the escrow  
11 fund) are sufficient to meet the liabilities of the municipal obligations; (d) the United States  
12 Obligations serving as security for the municipal obligations are held by an escrow agent or  
13 trustee; (e) the United States Obligations are not available to satisfy any other claims, including  
14 those against the trustee or escrow agent; and (f) the municipal obligations are rated "AAA" by  
15 S&P and "Aaa" by Moody's.

16 For purposes of this Section 12, "United States Obligations" shall mean (i) direct and  
17 general obligations of the United States of America, or obligations that are unconditionally  
18 guaranteed as to principal and interest by the United States of America, including without  
19 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds which  
20 have been stripped by request to the Federal Reserve Bank of New York in book-entry form or  
21 (ii) any security issued by any agency or instrumentality of the United States of America which is  
22 selected by the Director of Public Finance that results in the escrow fund being rated "AAA" by  
23 Standard & Poor's and "Aaa" by Moody's at the time of the initial deposit to the escrow fund and  
24 upon any substitution or subsequent deposit to the escrow fund.

1           Section 13. Official Notice of Sale. The form of proposed Official Notice of Sale inviting  
2 bids for the Bonds is hereby approved and adopted as the Official Notice of Sale inviting bids for  
3 the Bonds with such changes, additions and completions as may be made in accordance with  
4 Section 19 hereof.

5           Proposals shall be received on the sale date designated by the Director of Public Finance  
6 pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized and directed  
7 to cause to be mailed or otherwise circulated to prospective bidders for the Bonds copies of said  
8 Official Notice of Sale, subject to such corrections, revisions or additions as may be acceptable  
9 to the Director of Public Finance.

10          The Controller is hereby authorized to award the Bonds to the bidder whose bid  
11 represents the lowest true interest cost to the City, all in accordance with the procedures  
12 described in the Official Notice of Sale. The Controller shall provide a copy of the Bond Award  
13 as soon as practicable to the Clerk of the Board of Supervisors and the Mayor's Director of  
14 Finance; provided, however, that failure to provide such copies shall not affect the validity of the  
15 Bond Award.

16          Section 14. Publication of Notice of Intention to Sell Bonds. The form of proposed Notice  
17 of Intention to Sell Bonds is hereby approved and adopted as the Notice of Intention to Sell  
18 Bonds, and the Clerk of the Board of Supervisors is hereby authorized and directed to cause  
19 said Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions as may  
20 be made in accordance with Section 19 hereof, to be published once at least fifteen (15) days  
21 before the date of sale in The Bond Buyer, or another financial publication generally circulated  
22 throughout the State of California.

23          Section 15. Solicitation of Competitive Bids. This Board of Supervisors hereby  
24 authorizes the solicitation of competitive bids for the purchase of the Bonds on the date and at  
25 the place determined in accordance with the Official Notice of Sale herein referenced.



1           Section 16. Official Statement. The form of proposed Official Statement describing the  
2 Bonds (the "Official Statement") submitted to the Board of Supervisors is hereby approved and  
3 adopted as the Official Statement describing the Bonds, with such additions, corrections and  
4 revisions as may be determined to be necessary or desirable made in accordance with  
5 Section 19 hereof. The Controller is hereby authorized to cause the distribution of an Official  
6 Statement in preliminary form (the "Preliminary Official Statement") deemed final for purposes of  
7 Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and to sign a certificate to  
8 that effect. The Controller is further hereby authorized and directed to sign the final Official  
9 Statement. The Director of Public Finance is hereby authorized and directed to cause to be  
10 printed and mailed to prospective bidders for the Bonds copies of the Official Statement in  
11 substantially the form of the Preliminary Official Statement approved and adopted hereby, as  
12 supplemented, corrected or revised.

13           Section 17. Tax Covenants. (a) General. The City hereby covenants with the holders  
14 of the Bonds that, notwithstanding any other provisions of this Resolution, it shall not take any  
15 action, or fail to take any action, if any such action or failure to take action would adversely  
16 affect the exclusion from gross income of the interest on the Bonds under Section 103 of the  
17 Internal Revenue Code of 1986 (the "Code"), and the regulations issued thereunder, as the  
18 same may be amended from time to time, and any successor provisions of law. Reference to  
19 a particular section of the Code shall be deemed to be a reference to any successor to any  
20 such section. The City shall not, directly or indirectly, use or permit the use of proceeds of the  
21 Bonds or any of the property financed or refinanced with proceeds of the Bonds, or any  
22 portion thereof, by any person other than a governmental unit (as such term is used in Section  
23 141 of the Code), in such manner or to such extent as would result in the loss of exclusion of  
24 interest on the Bonds from gross income, for federal income tax purposes.

25

1 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if any  
2 such action or failure to take action would cause the Bonds to be "private activity bonds"  
3 within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any  
4 use of the proceeds of the Bonds or any of the property financed or refinanced with proceeds  
5 of the Bonds, or any portion thereof, or any other funds of the City, that would cause the  
6 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. To that  
7 end, so long as any Bonds are outstanding, the City, with respect to such proceeds and  
8 property and such other funds, will comply with applicable requirements of the Code and all  
9 regulations of the United States Department of the Treasury issued thereunder and under  
10 Section 103 of the Internal Revenue Code of 1954, as amended (the "1954 Code"), to the  
11 extent such requirements are, at the time, applicable and in effect. The City shall establish  
12 reasonable procedures necessary to ensure continued compliance with Section 141 of the  
13 Code (or, if applicable, the 1954 Code) and the continued qualification of the Bonds as  
14 "governmental bonds."

15 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any  
16 proceeds of any Bonds, or of any property financed or refinanced thereby, or other funds of  
17 the City, or take or omit to take any action, that would cause the Bonds to be "arbitrage  
18 bonds" within the meaning of Section 148 of the Code. To that end, the City shall comply with  
19 all requirements of Section 148 of the Code and all regulations of the United States  
20 Department of the Treasury issued thereunder to the extent such requirements are, at the  
21 time, in effect and applicable to the Bonds.

22 (d) Federal Guarantee. The City shall not make any use of the proceeds of the Bonds or  
23 any other funds of the City, or take or omit to take any other action, that would cause the  
24 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.  
25

1 (e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this  
2 Section 17, the City covenants that it will comply with the provisions of the Tax Certificate to  
3 be executed by the City, dated the date of delivery of the Bonds, as it may be amended from  
4 time to time (herein called the "Tax Certificate"). These covenants shall survive payment in full  
5 or defeasance of the Bonds.

6 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure  
7 Certificate issued by the City to permit the original purchasers of the Bonds to comply with  
8 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities  
9 Exchange Act of 1934, as amended, submitted to the Board of Supervisors is hereby approved  
10 and adopted as the Continuing Disclosure Certificate, with such additions, corrections and  
11 revisions as may be determined to be necessary or desirable made in accordance with  
12 Section 19 hereof. The Controller is hereby authorized and directed to execute the Continuing  
13 Disclosure Certificate on behalf of the City.

14 Section 19. Modification to Documents. Any City official authorized by this Resolution to  
15 execute any document is hereby further authorized, in consultation with the City Attorney or his  
16 or her designee (the "City Attorney"), to approve and make such changes, additions,  
17 amendments or modifications to the document or documents such official is authorized to  
18 execute as may be necessary or advisable (provided that such changes, additions, amendments  
19 or modifications shall not authorize an aggregate principal amount of Series 2002\_ Bonds in  
20 excess of \$29,480,000 or conflict with the provisions of Section 4 hereof). The approval of any  
21 change, addition, amendment or modification to any of the aforementioned documents shall be  
22 evidenced conclusively by the execution and delivery of the document in question.

23 Section 20. Ratification. All actions heretofore taken by officials, employees and agents  
24 of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed  
25 and ratified.

1           Section 21. Relationship to Authorizing Resolutions. In the event of any conflict between  
2 this Resolution and the Authorizing Resolution, the terms of this Resolution shall control.

3           Section 22. Reimbursement. The City hereby declares its official intent to reimburse  
4 prior expenditures of the District incurred prior to the issuance and sale of the Bonds in  
5 connection with the projects to be financed by the Bonds.

6           Section 23. Accountability Reports. The Series 2002\_ Bonds are subject to Article VIII of  
7 Chapter 2 of the City's Administrative Code. Accountability report(s) with respect to the Series  
8 2002\_ Bonds shall be submitted at the time(s) and in the manner required by said Article VIII.

9           Section 24. General Authority. The Clerk of the Board of Supervisors, the Mayor, the  
10 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each  
11 hereby authorized and directed in the name and on behalf of the City to take any and all steps  
12 and to issue and deliver any and all certificates, requisitions, agreements, notices, consents, and  
13 other documents, including but not limited to letters of representations to any depository or  
14 depositories which they or any of them might deem necessary or appropriate in order to  
15 consummate the lawful issuance, sale and delivery of the Bonds.

16  
17 APPROVED AS TO FORM:

18 LOUISE H. RENNE  
19 City Attorney

20 By: \_\_\_\_\_  
21       THERESA ALVAREZ  
22       Deputy City Attorney

23  
24  
25  
  
SUPERVISORS AMMIANO AND PESKIN  
BOARD OF SUPERVISORS

1 EXHIBIT A

2 [FORM OF BOND]

3 Number UNITED STATES OF AMERICA Amount  
4 \_\_\_\_\_ STATE OF CALIFORNIA \$ \_\_\_\_\_

5  
6 CITY AND COUNTY OF SAN FRANCISCO  
7 GENERAL OBLIGATION BONDS  
8 (EDUCATIONAL FACILITIES BONDS, 1997  
9 – SAN FRANCISCO UNIFIED SCHOOL DISTRICT), SERIES 2002\_

10 Interest Rate Maturity Date \_\_\_\_\_ Dated CUSIP Number

11 REGISTERED OWNER: CEDE & CO.

12 PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

13  
14 THE CITY AND COUNTY OF SAN FRANCISCO, State of California (herein called the  
15 "City"), acknowledges itself indebted to and promises to pay to the registered owner named  
16 hereinabove or registered assigns, on the maturity date set forth above the principal sum set  
17 forth hereinabove in lawful money of the United States of America, and to pay interest thereon in  
18 like lawful money from the interest payment date next preceding the date of authentication of this  
19 bond (unless this bond is authenticated as of the day during the period from the last day of the  
20 month next preceding any interest payment date (the "Record Date") to such interest payment  
21 date, inclusive, in which event it shall bear interest from such interest payment date, or unless  
22 this bond is authenticated on or before [November 30, 2002], in which event it shall bear interest  
23 from its dated date until payment of such principal sum, at the interest rate per annum stated  
24 herein above calculated on the basis of a 360-day year comprised of twelve 30-day months,  
25 payable on December 15, 2002 and semiannually thereafter on June 15 and December 15 in

SUPERVISORS AMMIANO AND PESKIN A-1  
BOARD OF SUPERVISORS

7/27/2011

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1 each year; provided, however, if any interest payment date occurs on a day that banks in  
2 California or New York are closed for business, then such payment shall be made on the next  
3 succeeding day that banks in both California and New York are open for business and the New  
4 York Stock Exchange is open for business (a "Business Day"). The principal hereof is payable  
5 to the registered owner hereof upon the surrender hereof at the office of the Treasurer of the City  
6 (the "Treasurer"). The interest hereon is payable to the person whose name appears on the  
7 bond registration books of the Treasurer as the registered owner hereof as of the close of  
8 business on the Record Date immediately preceding an interest payment date, whether or not  
9 such day is a Business Day, such interest to be paid by check mailed to such registered owner  
10 at the owner's address as it appears on such registration books; provided, however, that the  
11 registered owner of Bonds in an aggregate principal amount of at least \$1,000,000 may submit a  
12 written request to the Treasurer received on or before the Record Date preceding any interest  
13 payment date for payment of interest hereon by wire transfer.

14 This bond is one of a duly authorized issue of bonds of like tenor (except for such  
15 variations, if any, as may be required to designate varying numbers, denominations, interest  
16 rates and maturities), in the aggregate principal amount of not to exceed \$29,480,000 and is one  
17 of a duly authorized series of said issue which series is in the aggregate principal amount of  
18 \$140,000,000 and is authorized by votes of more than two-thirds of the voters voting at an  
19 election duly and legally called, held and conducted in said City on June 3, 1997 and is issued  
20 and sold by the City pursuant to and in strict conformity with the provisions of the Constitution  
21 and laws of said State, and Charter of the City and of resolutions (the "Resolutions") adopted by  
22 the Board of Supervisors of the City (the "Board of Supervisors") on November 10, 1997 and  
23 March 1, 1999.

24 The bonds are issuable as fully registered bonds without coupons in the denominations of  
25 \$5,000 or any integral multiple thereof, provided that no bond shall have principal maturing on

1 more than one principal maturity date. Subject to the limitations and conditions and upon  
2 payment of the charges, if any, as provided in the Resolutions, bonds may be exchanged for a  
3 like aggregate principal amount of bonds or other authorized denominations of the same interest  
4 rate and maturity.

5 This bond is transferable by the registered owner hereof, in person or by attorney duly  
6 authorized in writing, at said office of the Treasurer, but only in the manner, subject to the  
7 limitations and upon payment of the charges provided in the Resolutions, and upon surrender  
8 and cancellation of this bond. Upon such transfer, a new bond or bonds of authorized  
9 denomination or denominations for the same interest rate and same aggregate principal amount  
10 will be issued to the transferee in exchange herefor.

11 Bonds maturing on or before [\_\_\_\_\_] are not subject to redemption prior to maturity.  
12 Bonds maturing on or after [\_\_\_\_\_] are subject to optional redemption prior to their  
13 respective maturities, at the option of the City from any source of available funds, as a whole or  
14 in part on any date (with the maturities to be redeemed to be determined by the City and by lot  
15 within a maturity), on and after [\_\_\_\_\_] , at the following redemption prices expressed as a  
16 percentage of the principal amount thereof, together with accrued interest to the date fixed for  
17 redemption:

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Redemption Dates

Redemption Prices

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22 The bonds are further subject to mandatory sinking fund redemption prior to their  
23 respective stated maturities on June 15 of each year specified below, by lot within the maturity if  
24 less than all of the bonds of such maturity are to be redeemed, upon payment of the principal

25

1 amount thereof and accrued interest thereon to the date fixed for redemption, without premium,  
2 but only in amounts equal to and in accordance with the schedule shown below.

3 Mandatory Sinking

4 Fund Payment

Mandatory Sinking

5 Date (June 15)

Fund Payment

6  
7 20\_\_

\$\_\_\_\_\_

8 20\_\_

\_\_\_\_\_

9 20\_\_ (final maturity)

\_\_\_\_\_

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11 Notice of redemption shall be given by mail not less than thirty (30) nor more than sixty  
12 (60) days prior to the redemption date to the registered owner thereof, but neither failure to mail  
13 such notice or any defect in the notice so mailed shall affect the sufficiency of the proceedings  
14 for redemption.

15 The City may rescind any optional redemption by written notice to the owner of any Bond  
16 previously called for redemption prior to the redemption date. Any notice of optional redemption  
17 shall be rescinded if for any reason funds are not or will not be available on the date fixed for  
18 redemption or the payment in full of the Bonds then called for redemption. Notice of rescission  
19 of redemption shall be given in the same manner notice of redemption was originally provided.  
20 The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition  
21 precedent to rescission, and failure to receive such notice or any defect in such notice shall not  
22 affect the validity of the rescission.

23 If this bond is called for redemption and payment is duly provided therefor, interest shall  
24 cease to accrue hereon from and after the date fixed for redemption.

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1           The City and the Treasurer may treat the registered owner hereof as the absolute owner  
2 hereof for all purposes, and the City and the Treasurer shall not be affected by any notice to the  
3 contrary.

4           The Board of Supervisors hereby certifies and declares that the total amount of  
5 indebtedness of the City, including the amount of this bond, is within the limit provided by law,  
6 that all acts, conditions and things required by the law to be done or performed precedent to and  
7 in the issuance of this bond have been done and performed in strict conformity with the laws  
8 authorizing the issuance of the bond, that this bond is in the form prescribed by order of the  
9 Board of Supervisors duly made and entered on its minutes and shall be payable out of the  
10 interest and sinking fund of the City, and the money for the redemption of this bond, and the  
11 payment of interest thereon, shall be raised by taxation upon the taxable property of the City.

12           This bond shall not be entitled to any benefit under the Resolutions, or become valid or  
13 obligatory for any purpose, until the certificate of authentication and registration hereon endorsed  
14 shall have been signed by the Treasurer.

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1           IN WITNESS WHEREOF the Board of Supervisors of the City and County of San  
2 Francisco has caused this bond to be executed under the official seal of the City and County of  
3 San Francisco, or a facsimile thereof, by the Mayor of the City and County of San Francisco, or a  
4 facsimile thereof, and to be countersigned by the Clerk of said Board, all as of \_\_\_\_\_,  
5 2002

6  
7  
8 \_\_\_\_\_  
9 Mayor of the City and  
County of San Francisco

10 [SEAL]

11 Countersigned:

12 \_\_\_\_\_  
13 Clerk of the Board  
of Supervisors

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[FORM OF TREASURER'S CERTIFICATE  
OF AUTHENTICATION TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Resolutions and authenticated  
and registered \_\_\_\_\_.

TREASURER OF THE CITY AND  
COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto  
\_\_\_\_\_ the within-mentioned registered Bond and hereby irrevocably  
constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the  
books of the Treasurer with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTE: The signature(s) on this Assignment must  
correspond with the name(s) as written on the face of  
the within registered Bond in every particular, without  
alteration or enlargement or any change whatsoever.

Signature Guarantee:

\_\_\_\_\_ Tax ID Number: \_\_\_\_\_