

1 [Zoo General Obligation Bond Sale.]

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3 **Resolution authorizing and directing the sale of not to exceed \$6,500,000 City and**
4 **County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series**
5 **2002A; prescribing the form and terms of said bonds; authorizing the execution,**
6 **authentication and registration of said bonds; providing for the appointment of**
7 **depositories and other agents for said bonds; providing for the establishment of**
8 **accounts related thereto; approving the forms of the official notice of sale and notice of**
9 **intention to sell bonds; approving the form and execution of the official statement**
10 **relating thereto; approving the form of the continuing disclosure certificate; amending**
11 **Section 9(b) of the Authorizing Resolution; approving modifications to documents;**
12 **ratifying certain actions previously taken; and granting general authority to City**
13 **officials to take necessary actions in connection with the authorization, issuance, sale**
14 **and delivery of said bonds.**

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16 WHEREAS, By Resolution No. 677-98 (the "Authorizing Resolution"), adopted by the
17 Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco (the
18 "City") on August 17, 1998, and signed by the Mayor of the City (the "Mayor") on August 28,
19 1998, the City authorized the issuance of its Zoo Facilities Bonds, 1997; and,

20 WHEREAS, By Resolution No. 138-99, adopted by the Board of Supervisors on
21 March 1, 1999, and signed by the Mayor on March 5, 1999, which amended Resolution No.
22 678-98 adopted by the Board of Supervisors on August 17, 1998, the City authorized the sale
23 of the first series of not to exceed \$18,000,000 of its Zoo Facilities Bonds, 1997; and,

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1 WHEREAS, By Resolution No. 380-00, adopted by the Board of Supervisors on May 1,
2 2000, and signed by the Mayor on May 12, 2000, the City authorized the sale of the second
3 series of not to exceed \$17,440,000 of its Zoo Facilities Bonds, 1997; and,

4 WHEREAS, It is necessary and desirable to issue an additional series]of said bonds in
5 a single series as City and County of San Francisco General Obligation Bonds (Zoo Facilities
6 Bonds, 1997), Series 2002A (the "Bonds"); and,

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

10 WHEREAS, The City expects to pay certain expenditures in connection with the
11 projects to be financed by the Bonds prior to the issuance and sale of the Bonds, and the City
12 intends to reimburse itself and to pay third parties for such prior expenditures from the
13 proceeds of the Bonds; and,

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

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

23 WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds
24 within the meaning of Section 864 of the California Code of Civil Procedure;

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1 WHEREAS, In accordance with Section 15(d) of the Authorizing Resolution, the City
2 may adopt a supplemental resolution, without the consent of the owners of the Bonds, to cure
3 any ambiguity, supply and omission, or cure or correct any defect or inconsistent provision of
4 the Authorizing Resolution or any resolution authorizing the issuance of any series of Bonds;
5 and,

6 WHEREAS, The Board of Supervisors desires to cure an inconsistency in the first
7 paragraph of Section 9(b) of the Authorizing Resolution to reflect the current practice of the
8 City Treasurer; and,

9 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the City and
10 County of San Francisco, as follows:

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

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

17 Section 3. Documents. The documents presented to this Board of Supervisors and on
18 file with the Clerk of the Board of Supervisors are contained in File No. _____.

19 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes
20 the issuance and sale of not to exceed \$6,500,000 aggregate principal amount of bonds to be
21 designated as "City and County of San Francisco General Obligation Bonds (Zoo Facilities
22 Bonds, 1997), Series 2002A" for the purposes set forth in the Authorizing Resolution. The
23 Director of Public Finance of the City (the "Director of Public Finance") is hereby authorized to
24 determine the sale date, the maturity dates and the redemption dates of the Bonds, subject to
25 the following terms and conditions: (i) the Bonds shall not have a true interest cost in excess

1 of 12% (as such term is defined in the Official Notice of Sale); (ii) the Bonds shall not have a
2 final maturity date after June 15, 2022; and (iii) any original issue discount on the purchase of
3 the Bonds shall not exceed 2% of the principal amount of the Bonds. The Director of Public
4 Finance is further authorized to give the Bonds such additional or other series designation as
5 may be necessary or appropriate to distinguish such series from every other series and from
6 other bonds issued by the City.

7 Section 5. Execution, Authentication and Registration of the Bonds. The Bonds shall
8 be in fully registered form without coupons in denominations of \$5,000 or any integral multiple
9 thereof. The officers of the City are hereby directed to cause the Bonds to be prepared in
10 sufficient quantity for delivery to or for the account of the purchaser thereof and the Clerk of
11 the Board of Supervisors is hereby directed to cause the blanks therein to be completed in
12 accordance with the Authorizing Resolution, to cause the seal of the City to be reproduced or
13 impressed thereon, to procure their execution by the proper officers of the City, and to deliver
14 the Bonds when so executed to said purchaser in exchange for the purchase price thereof all
15 in accordance with the Authorizing Resolution.

16 The Bonds and the certificate of authentication and registration of the Treasurer of the
17 City (the "City Treasurer") and the form of assignment to appear thereon shall be substantially
18 in the form attached hereto as Exhibit A (a copy of which is on file with the Clerk of the Board
19 of Supervisors and which is hereby declared to be a part of this Resolution as if fully set forth
20 herein) with necessary or appropriate variations, omissions and insertions as permitted or
21 required by this Resolution.

22 Only such of the Bonds as shall bear thereon a certificate of authentication and
23 registration in the form herein recited, executed by the City Treasurer, shall be valid or
24 obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of
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1 the City Treasurer shall be conclusive evidence that the Bonds so authenticated have been
2 duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

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

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

11 Section 7. Transfer or Exchange of Bonds. Any Bond may, in accordance with its
12 terms, be transferred upon the books required to be kept pursuant to the provisions of Section
13 6 hereof, by the person in whose name it is registered, in person or by the duly authorized
14 attorney of such person in writing, upon surrender of such Bond for cancellation, accompanied
15 by delivery of a duly executed written instrument of transfer in a form approved by the City
16 Treasurer.

17 Any Bonds may be exchanged at the office of the City Treasurer for a like aggregate
18 principal amount of other authorized denominations of the same series, interest rate and
19 maturity.

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

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

5 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall each
6 be dated the first day of the month in which the Bonds are sold or such other date (the "Dated
7 Date") as specified in the award to be made pursuant to Section 13 hereof (the "Bond
8 Award"). The Bonds shall bear interest from the date thereof until paid at rates to be
9 determined upon sale of the Bonds calculated on the basis of a 360-day year comprised of
10 twelve 30-day months, payable on December 15, 2002, and semiannually thereafter on
11 June 15 and December 15 of each year (or such other dates as may be designated in the
12 Bond Award).

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

20 Each Bond shall bear interest from the interest payment date next preceding the date
21 of authentication thereof unless it is authenticated as of a day during the period from the
22 Record Date next preceding any interest payment date to the interest payment date, inclusive,
23 in which event it shall bear interest from such interest payment date, or unless it is
24 authenticated on or before November 30, 2002 (or such other date as may be designated in
25 the Bond Award), in which event it shall bear interest from the Dated Date; provided, however,

1 that if, at the time of authentication of any Bond, interest is in default on the Bonds, such Bond
2 shall bear interest from the interest payment date to which interest has previously been paid
3 or made available for payment on the Bonds or from the Dated Date if the first interest
4 payment is not made. Except as may be otherwise provided in connection with any book-
5 entry only system applicable to the Bonds, payment of the interest on any Bond shall be paid
6 by check mailed to such owner at such owner's address as it appears on the registration
7 books as of the Record Date; provided, however, if any interest payment occurs on a day that
8 banks in California and New York are closed for business, then such payment shall be made
9 on the next succeeding day that banks in both California and New York are open for business
10 and the New York Stock Exchange is open for business (a "Business Day"); and provided,
11 further, that the registered owner of an aggregate principal amount of at least \$1,000,000 of
12 the Bonds may submit a written request to the City Treasurer on or before a Record Date
13 preceding an interest payment date for payment of interest by wire transfer to a commercial
14 bank located within the continental United States. For so long the Bonds are held in book-
15 entry only form by a securities depository selected by the City pursuant to Section 11 hereof,
16 payment may be made to the registered owner of the Bonds designated by such securities
17 depository by wire transfer of immediately available funds.

18 The Bonds maturing on or before June 15, 2010 (or such other date as may be
19 designated in the Bond Award) shall not be subject to optional redemption prior to maturity.
20 The Bonds maturing on or after June 15, 2011 (or such other date as may be designated in
21 the Bond Award) are subject to optional redemption prior to their respective stated maturities,
22 at the option of the City, from any source of available funds, as a whole or in part on any date
23 (with the maturities to be redeemed to be determined by the City and by lot within a maturity)
24 on or after June 15, 2010 (or such other date as may be designated in the Bond Award), at
25 redemption prices equal to 101% of the principal amount redeemed in the first year the Bonds

1 are subject to optional redemption (with such redemption price declining to 100% at the rate of
2 0.5% annually), together with accrued interest to the date of redemption, or such other
3 redemption prices as may be designated in the Bond Award.

4 The Bonds shall be subject to mandatory redemption at par, by lot, in any year for
5 which the purchaser therefor has designated that the principal amount payable with respect to
6 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice
7 of Sale (as more fully described in Section 13 hereof). Any Bonds subject to mandatory
8 redemption shall be designated as such in the Bond Award. The principal and interest on
9 Series 2002A Bonds subject to mandatory redemption shall be paid from the Series 2002A
10 Bond Account pursuant to Section 9 hereof. In lieu of any such mandatory redemption, at any
11 time prior to the selection of the Bonds for redemption, the City may apply such amounts on
12 deposit in the Series 2002A Bond Account (as defined in Section 9 hereof) to make such
13 payment to the purchase of Bonds subject to such redemption at public or private sale, as and
14 when and at such prices not in excess of the principal amount thereof (including sales
15 commission and other charges but excluding accrued interest), as the City may determine.

16 The date on which the Bonds which are called for redemption are to be presented for
17 redemption is herein sometimes called the "redemption date." The City Treasurer shall mail,
18 or cause to be mailed, notice of any redemption of Bonds postage prepaid, to the respective
19 registered owners thereof at the addresses appearing on the bond registration books not less
20 than thirty (30) nor more than sixty (60) days prior to the redemption date. The notice of
21 redemption shall (a) state the redemption date; (b) state the redemption price; (c) state the
22 dates of maturity of the Bonds and, if less than all of any such maturity is called for
23 redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the
24 case of Bonds redeemed in part only, the respective portions of the principal amount thereof
25 to be redeemed; (d) state the CUSIP number, if any, of each Bond to be redeemed;

1 (e) require that such Bonds be surrendered by the owners at the office of the City Treasurer or
2 his or her agent; and (f) give notice that interest on such Bonds will cease to accrue after the
3 designated redemption date.

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

8 At least five (5) days before the above redemption notice date, notice also shall be
9 given, or cause to be given, by the City Treasurer by (i) registered or certified mail, postage
10 prepaid, (ii) confirmed facsimile transmission or (iii) overnight delivery service, to (a) all
11 organizations registered with the Securities and Exchange Commission as securities
12 depositories, (b) to at least two information services of national recognition which disseminate
13 redemption information with respect to municipal securities, and (c) as may be further required
14 in accordance with the Continuing Disclosure Certificate described in Section 18 hereof.

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

19 At the time the City Treasurer or Controller determines to optionally call and redeem
20 any of the Bonds, the City Treasurer or his or her agent shall establish a redemption account
21 to be described or known as the "General Obligation Bonds (Zoo Facilities Bonds, 1997),
22 Series 2002A Redemption Account" (the "Series 2002A Redemption Account") and prior to or
23 on the redemption date there must be set aside in said Series 2002A Redemption Account
24 moneys available for the purpose and sufficient to redeem, as provided in this Resolution, the
25 Bonds designated in said notice of redemption. Said moneys must be set aside in the Series

1 2002A Redemption Account solely for the purpose of, and shall be applied on or after the
2 redemption date to, payment of the redemption price of the Bonds to be redeemed upon
3 presentation and surrender of such Bonds. Any interest due on or prior to the redemption
4 date may be paid from the Series 2002A Bond Account as provided in Section 9 hereof or
5 from the Series 2002A Redemption Account. Moneys held from time to time in the Series
6 2002A Redemption Account shall be invested by the City Treasurer pursuant to the City's
7 policies and guidelines for investment of General Fund moneys or pursuant to any resolution
8 authorizing the issuance of refunding bonds or any escrow agreement relating thereto. If,
9 after all of the Bonds have been redeemed and canceled or paid and canceled, there are
10 moneys remaining in said Series 2002A Redemption Account, said moneys shall be
11 transferred to the General Fund of the City provided, however, that if said moneys are part of
12 the proceeds of refunding bonds, said moneys shall be transferred pursuant to the resolution
13 authorizing such refunding bonds.

14 Whenever less than all the outstanding Bonds maturing on any one date are called for
15 redemption on any one date, the City Treasurer will select the Bonds or portions thereof, in
16 denominations of \$5,000 or any integral multiple thereof, to be redeemed from the outstanding
17 Bonds maturing on such date not previously selected for redemption, by lot in any manner
18 which the City Treasurer deems fair.

19 When notice of optional redemption has been given, substantially as provided herein,
20 and when the amount necessary for the redemption of the Bonds called for redemption
21 (principal and premium, if any) is set aside for that purpose in said Series 2002A Redemption
22 Account, as provided herein, the Bonds designated for redemption shall become due and
23 payable on the date fixed for redemption thereof, and upon presentation and surrender of said
24 Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and
25 paid at said redemption price out of said Series 2002A Redemption Account. No interest will

1 accrue on such Bonds called for redemption after the redemption date and the registered
2 owners of such Bonds shall look for payment of such Bonds only to said Series 2002A
3 Redemption Account. All Bonds redeemed shall be canceled forthwith by the City Treasurer and
4 shall not be reissued.

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

15 Section 9. Series 2002A Bond Account. There is hereby established with the City
16 Treasurer a special subaccount in the General Obligation Bonds (Zoo Facilities Bonds, 1997)
17 Bond Account (the "Bond Account") created pursuant to the Authorizing Resolution, to be
18 designated the "General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2002A Bond
19 Account" (the "Series 2002A Bond Account"), to be held separate and apart from all other
20 accounts of the City. All interest earned on amounts on deposit in the Series 2002A Bond
21 Account shall be deposited in the Series 2002A Bond Account.

22 On or prior to the date on which any payment of principal or interest on the Bonds is
23 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer
24 shall allocate to and deposit in the Series 2002A Bond Account, from amounts held in the
25 Bond Account pursuant to Section 9 of the Authorizing Resolution, an amount which, when

1 added to any available moneys contained in the Series 2002A Bond Account, is sufficient to
2 pay principal and interest on the Bonds on such date.

3 On or prior to the date on which any Bonds are to be redeemed at the option of the City
4 pursuant to this Resolution, the City Treasurer may allocate to and deposit in the Series
5 2002A Redemption Account, from amounts held in the Bond Account pursuant to Section 9 of
6 the Authorizing Resolution, an amount which, when added to any available moneys contained
7 in the Series 2002A Bond Account, is sufficient to pay principal and interest and any premium
8 on the Bonds on such date. The City Treasurer may make such other provision for the
9 payment of principal and interest and any redemption premium on the Bonds as is necessary
10 or convenient to permit the optional redemption of the Bonds.

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

18 Section 10. Series 2002A Project Account. There is hereby established with the City
19 Treasurer a special subaccount in the General Obligation Bonds (Zoo Facilities Bonds, 1997)
20 Project Account (the "Project Account") created pursuant to the Authorizing Resolution, to be
21 designated the "General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2002A Project
22 Account" (the "Series 2002A Project Account"), to be held separate and apart from all other
23 accounts of the City. All interest earned on amounts on deposit in the Series 2002A Project
24 Account shall be retained in the Series 2002A Project Account. Amounts in the Series 2002A
25 Project Account shall be expended in accordance with the provisions of the Authorizing

1 Resolution for the acquisition, construction and reconstruction of the Project (as defined in the
2 Authorizing Resolution).

3 Amounts in the Series 2002A Project Account may be invested in any investment of the
4 City in which moneys in the General Fund of the City are invested. The City Treasurer may
5 commingle any of the moneys held in the Series 2002A Project Account with other City
6 moneys or deposit amounts credited to the Series 2002A Project Account into a separate fund
7 or funds for investment purposes only; *provided, however*, that all of the moneys held in the
8 Series 2002A Project Account hereunder shall be accounted for separately notwithstanding
9 any such commingling or separate deposit by the City Treasurer.

10 The City Treasurer is hereby authorized to pay, or cause to be paid, from the proceeds
11 of the Bonds, on behalf of the City, the costs of issuance associated with the Bonds. Costs of
12 issuance of the Bonds shall include, without limitation, bond and financial printing expenses,
13 mailing and publication expenses, rating agency fees, the fees and expenses of paying
14 agents, registrars, financial consultants and bond counsel and the reimbursement of
15 departmental expenses in connection with the issuance of the Bonds.

16 Section 11. Appointment of Securities Depositories and Other Agents. The City
17 Treasurer is hereby authorized and directed to appoint one or more depositories as he or she
18 may deem desirable and the procedures set forth in Section 8 hereof relating to registration of
19 the ownership of the Bonds, and payments and redemption notices to owners of the Bonds
20 may be modified to comply with the policies and procedures of such depository. The City will
21 not have any responsibility or obligation to any purchaser of a beneficial ownership interest in
22 any Bonds or to any participants in such a depository with respect to (i) the accuracy of any
23 records maintained by such securities depository or any participant therein; (ii) any notice that
24 is permitted or required to be given to the owners of the Bonds under this Resolution; (iii) the
25 selection by such securities depository or any participant therein of any person to receive

1 payment in the event of a partial redemption of the Bonds; (iv) the payment by such securities
2 depository or any participant therein of any amount with respect to the principal or redemption
3 premium, if any, or interest due with respect to the Bonds; (v) any consent given or other
4 action taken by such securities depository as the owner of the Bonds; or (vi) any other matter.

5 The City Treasurer is hereby also authorized and directed to appoint one or more
6 agents as he or she may deem necessary or desirable. To the extent permitted by applicable
7 law and under the supervision of the City Treasurer, such agents may serve as paying agent,
8 fiscal agent, rebate calculation agent or escrow agent or registrar for the Bonds or may assist
9 the City Treasurer in performing any or all of such functions and such other duties as the City
10 Treasurer shall determine. Such agents shall serve under such terms and conditions as the
11 City Treasurer shall determine. The City Treasurer may remove or replace agents appointed
12 pursuant to this paragraph at any time.

13 Section 12. Defeasance Provisions. Payment of all or any portion of the Bonds may
14 be provided for prior to their respective stated maturities by irrevocably depositing with the
15 City Treasurer (or any commercial bank or trust company designated by the City Treasurer to
16 act as escrow agent with respect thereto):

17 (a) An amount of cash equal to the principal amount of all of such Bonds or a
18 portion thereof, and all unpaid interest thereon to maturity, except that in the case of Bonds
19 which are to be redeemed prior to their respective stated maturities and in respect of which
20 notice of such redemption shall have been given as provided in Section 8 hereof or an
21 irrevocable election to give such notice shall have been made by the City, the amount to be
22 deposited shall be the principal amount thereof, all unpaid interest thereon to the redemption
23 date, and any premium due on such redemption date; or

24 (b) Defeasance Securities (as herein defined) not subject to call, except as
25 provided below in the definition thereof, maturing and paying interest at such times and in

1 such amounts, together with interest earnings and cash, if required, as will, without
2 reinvestment, as certified by an independent certified public accountant, be fully sufficient to
3 pay the principal and all unpaid interest to maturity, or to the redemption date, as the case
4 may be, and any premium due on the Bonds to be paid or redeemed, as such principal and
5 interest come due; provided, that, in the case of the Bonds which are to be redeemed prior to
6 maturity, notice of such redemption shall be given as provided in Section 8 hereof or an
7 irrevocable election to give such notice shall have been made by the City; then, all obligations
8 of the City with respect to said outstanding Bonds shall cease and terminate, except only the
9 obligation of the City to pay or cause to be paid from the funds deposited pursuant to
10 paragraphs (a) or (b) of this Section 12, to the owners of said Bonds all sums due with respect
11 thereto; provided, that the City shall have received an opinion of nationally recognized bond
12 counsel, that provision for the payment of said Bonds has been made in accordance with this
13 Section 12.

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

- 17 (1) United States Obligations (as herein defined); and
- 18 (2) Pre-refunded fixed interest rate municipal obligations meeting the following
19 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the
20 trustee has been given irrevocable instructions concerning their calling and redemption and
21 the issuer has covenanted not to redeem such obligations other than as set forth in such
22 instructions; (b) the municipal obligations are secured by cash and/or United States
23 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in
24 the escrow fund or the redemption account) are sufficient to meet the liabilities of the
25 municipal obligations; (d) the United States Obligations serving as security for the municipal

1 obligations are held by the City Treasurer, or if appointed by the City Treasurer pursuant to
2 Section 11 hereof, an escrow agent or trustee; (e) the United States Obligations are not
3 available to satisfy any other claims, including those against the trustee or escrow agent; and
4 (f) the municipal obligations are rated "AAA" by S&P and "Aaa" by Moody's.

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

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

18 Proposals shall be received on the sale date designated by the Director of Public
19 Finance pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized
20 and directed to cause to be mailed to prospective bidders for the Bonds copies of said Official
21 Notice of Sale, subject to such corrections, revisions or additions as may be acceptable to the
22 Director of Public Finance.

23 The Controller is hereby authorized to award the Bonds to the bidder whose bid
24 represents the lowest true interest cost to the City, all in accordance with the procedures
25 described in the Official Notice of Sale. The Controller shall provide a copy of the Bond

1 Award as soon as practicable to the Clerk of the Board of Supervisors and the Director of
2 Public Finance; provided, however, that failure to provide such copies shall not affect the
3 validity of the Bond Award.

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

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

14 Section 16. Official Statement. The form of proposed Official Statement describing the
15 Bonds (the "Official Statement") submitted to the Board of Supervisors is hereby approved
16 and adopted as the Official Statement describing the Bonds, with such additions, corrections
17 and revisions as may be determined to be necessary or desirable made in accordance with
18 Section 19 hereof. The Controller of the City (the "Controller") is hereby authorized to cause
19 the distribution of a Preliminary Official Statement deemed final for purposes of Rule 15c2-12
20 of the Securities Exchange Act of 1934, as amended, and to sign a certificate to that effect.
21 The Controller is further hereby authorized and directed to sign the final Official Statement.
22 The Director of Public Finance is hereby authorized and directed to cause to be printed and
23 mailed to prospective bidders for the Bonds copies of the Official Statement in substantially
24 the form of the Preliminary Official Statement approved and adopted hereby, as completed,
25 supplemented, corrected or revised.

1 Section 17. Tax Covenants.

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

14 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if
15 any such action or failure to take action would cause the Bonds to be "private activity bonds"
16 within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any
17 use of the proceeds of the Bonds or any of the property financed or refinanced with proceeds
18 of the Bonds, or any portion thereof, or any other funds of the City, that would cause the
19 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. To that
20 end, so long as any Bonds are outstanding, the City, with respect to such proceeds and
21 property and such other funds, will comply with applicable requirements of the Code and all
22 regulations of the United States Department of the Treasury issued thereunder and under
23 Section 103 of the Internal Revenue Code of 1954, as amended (the "1954 Code"), to the
24 extent such requirements are, at the time, applicable and in effect. The City shall establish
25 reasonable procedures necessary to ensure continued compliance with Section 141 of the

1 Code (or, if applicable, the 1954 Code) and the continued qualification of the Bonds as
2 "governmental bonds."

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

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

13 (e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants
14 of this Section 17, the City covenants that it will comply with the provisions of the Tax
15 Certificate to be executed by the City, dated the date of issuance of the Bonds, as it may be
16 amended from time to time (herein called the "Tax Certificate"). This covenant shall survive
17 payment in full or defeasance of the Bonds.

18 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure
19 Certificate issued by the City to permit the original purchasers of the Bonds to comply with
20 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities
21 Exchange Act of 1934, as amended, submitted to the Board of Supervisors is hereby
22 approved and adopted as the Continuing Disclosure Certificate, with such additions,
23 corrections and revisions as may be determined to be necessary or desirable made in
24 accordance with Section 19 hereof. The Controller, or his designee, is hereby authorized and
25 directed to enter into the Continuing Disclosure Certificate on behalf of the City.

1 Section 19. Modification to Documents. Any City official authorized by this Resolution
2 to execute any document is hereby further authorized, in consultation with the City Attorney,
3 to approve and make such changes, additions, amendments or modifications to the document
4 or documents such official is authorized to execute as may be necessary or advisable
5 (provided that such changes, additions, amendments or modifications shall not authorize an
6 aggregate principal amount of Series 2002A Bonds in excess of \$6,500,000 or conflict with
7 the provisions of Section 4 hereof). The approval of any change, addition, amendment or
8 modification to any of the aforementioned documents shall be evidenced conclusively by the
9 execution and delivery of the document in question.

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

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

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

19 Section 23. Accountability Reports. The Series 2002A Bonds are subject to Article VIII
20 of Chapter 2 of the City's Administrative Code. Accountability report(s) with respect to the
21 Series 2002A Bonds shall be submitted at the time(s) and in the manner required by said
22 Article VIII.

23 Section 24. General Authority. The Clerk of the Board of Supervisors, the Mayor, the
24 City Treasurer, the Director of Public Finance, the City Attorney and the Controller, or their
25 respective designees, are each hereby authorized and directed in the name and on behalf of the

1 City to take any and all steps and to issue and deliver any and all certificates, requisitions,
2 agreements, notices, consents, and other documents, as may be necessary to give effect to the
3 provisions of this Resolution, including but not limited to letters of representations to any
4 depository or depositories which they or any of them might deem necessary or appropriate in
5 order to consummate the lawful issuance, sale and delivery of the Bonds.

6 Section 25. Amendment to Authorizing Resolution. The first paragraph of Section 9(b) of
7 the Authorizing Resolution is hereby amended and restated to read as follows,

8 “(b) Principal. On or before June 15 in each year that any series of Bonds is outstanding,
9 commencing June 15, 1999, the City Treasurer shall transfer from the General Fund and set
10 aside in the Bond Account and the appropriate subaccounts therein relating to each series of the
11 Bonds an amount which will be equal to the principal on each series of the Bonds outstanding
12 that will become due and payable on the next succeeding June 15, including those Bonds
13 subject to mandatory redemption on such date pursuant to the provisions of the resolution
14 authorizing the issuance and sale of such Bonds.”

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APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Theresa Alvarez
Deputy City Attorney

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
8 GENERAL OBLIGATION BONDS

9 (ZOO FACILITIES BONDS, 1997), SERIES 2002A

10 _____
11 Interest Rate Maturity Date Dated CUSIP Number

12
13 REGISTERED OWNER: CEDE & CO.

14 PRINCIPAL AMOUNT: _____ DOLLARS

15
16 THE CITY AND COUNTY OF SAN FRANCISCO, State of California (herein called the
17 "City"), acknowledges itself indebted to and promises to pay to CEDE & Co. or registered
18 assigns, on the maturity date set forth above the principal sum of _____
19 Dollars (\$_____) in lawful money of the United States of America, and to pay interest
20 thereon in like lawful money from the interest payment date next preceding the date of
21 authentication of this bond (unless this bond is authenticated as of the day during the period from
22 the last day of the month next preceding any interest payment date (the "Record Date") to such
23 interest payment date, inclusive, in which event it shall bear interest from such interest payment
24 date, or unless this bond is authenticated on or before November 30, 2002, in which event it

1 shall bear interest from its dated date until payment of such principal sum, at the interest rate per
2 annum stated above calculated on the basis of a 360-day year comprised of twelve 30-day
3 months, payable on December 15, 2002 and semiannually thereafter on June 15 and December
4 15 in each year; provided, however, if any interest payment date occurs on a day that banks in
5 California and New York are closed for business, then such payment shall be made on the next
6 succeeding day that banks in both California and New York are open for business and the New
7 York Stock Exchange is open for business (a "Business Day"). The principal hereof is payable
8 to the registered owner hereof upon the surrender hereof at the office of the Treasurer of the City
9 in San Francisco, California (the "City Treasurer"). The interest hereon is payable to the person
10 whose name appears on the bond registration books of the City Treasurer as the registered
11 owner hereof as of the close of business on the Record Date immediately preceding an interest
12 payment date, whether or not such day is a Business Day, such interest to be paid by check
13 mailed to such registered owner at the owner's address as it appears on such registration books;
14 provided, however, that the registered owner of Bonds in an aggregate principal amount of at
15 least \$1,000,000 may submit a written request to the Treasurer on or before the Record Date
16 preceding any interest payment date for payment of interest hereon by wire transfer to a
17 commercial bank located within the continental United States.

20 This bond is one of a duly authorized issue of bonds of like tenor (except for such
21 variations, if any, as may be required to designate varying numbers, denominations, interest
22 rates and maturities), amounting in the aggregate principal amount of not to exceed \$48,000,000
23 and is one of a duly authorized series of said issue which series is in the aggregate principal
24 amount of \$6,500,000 and is authorized by votes of more than two-thirds of the voters voting at
25

1 an election duly and legally called, held and conducted in said City on June 3, 1997 and is
2 issued and sold by the City pursuant to and in strict conformity with the provisions of the
3 Constitution and laws of said State, and Charter of the City and of resolutions (the "Resolutions")
4 adopted by the Board of Supervisors of the City (the "Board of Supervisors") on August 17, 1998
5 and _____, 2002.

6 The bonds are issuable as fully registered bonds without coupons in the denominations of
7 \$5,000 or any integral multiple thereof, provided that no bond shall have principal maturing on
8 more than one principal maturity date. Subject to the limitations and conditions and upon
9 payment of the charges, if any, as provided in the Resolutions, bonds may be exchanged for a
10 like aggregate principal amount of bonds or other authorized denominations of the same series,
11 interest rate and maturity.

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

18 Bonds maturing on or before June 15, 2010 are not subject to redemption prior to
19 maturity. Bonds maturing on or after June 15, 2011 are subject to optional redemption prior to
20 their respective maturities, at the option of the City from any source of available funds, as a
21 whole or in part on any date (with the maturities to be redeemed to be determined by the City
22 and by lot within a maturity), on and after June 15, 2010, at the following redemption prices
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1 expressed as a percentage of the principal amount thereof, together with accrued interest to the
 2 date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 15, 20 through June 14, 2011	101%
June 15, 2011 through June 14, 2012	100 ½%
June 15, 2012 and thereafter	100%

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9 The bonds are further subject to mandatory sinking fund redemption prior to their
 10 respective stated maturities on June 15 of each year specified below, by lot within the maturity if
 11 less than all of the bonds of such maturity are to be redeemed, upon payment of the principal
 12 amount thereof and accrued interest thereon to the date fixed for redemption, without premium,
 13 but only in amounts equal to and in accordance with the schedule shown below.

<u>Mandatory Sinking Fund Payment Date (June 15)</u>	<u>Mandatory Sinking Fund Payment</u>
20__	\$_____
20__	_____
20__ (final maturity)	_____

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

1 The City may rescind any optional redemption by written notice to the owner of any Bond
2 previously called for redemption prior to the redemption date. Any notice of optional redemption
3 shall be rescinded if for any reason funds are not or will not be available on the date fixed for
4 redemption or the payment in full of the Bonds then called for redemption. Notice of rescission
5 of redemption shall be given in the same manner notice of redemption was originally provided.
6 The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition
7 precedent to rescission, and failure to receive such notice or any defect in such notice shall not
8 affect the validity of the rescission.
9

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

12 The City and the City Treasurer may treat the registered owner hereof as the absolute
13 owner hereof for all purposes, and the City and the City Treasurer shall not be affected by any
14 notice to the contrary.
15

16 The Board of Supervisors hereby certifies and declares that the total amount of
17 indebtedness of said City, including the amount of this bond, is within the limit provided by law,
18 that all acts, conditions and things required by the law to be done or performed precedent to and
19 in the issuance of this bond have been done and performed in strict conformity with the laws
20 authorizing the issuance of the bond, that this bond is in the form prescribed by order of the
21 Board of Supervisors duly made and entered on its minutes and shall be payable out of the
22 general fund of said City, and the money for the redemption of this bond, and the payment of
23 interest thereon, shall be raised by taxation upon the taxable property of said City.
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1 This bond shall not be entitled to any benefit under the Resolutions, or become valid or
2 obligatory for any purpose, until the certificate of authentication and registration hereon endorsed
3 shall have been signed by the City Treasurer.

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1 IN WITNESS WHEREOF the Board of Supervisors of the City and County of
2 San Francisco has caused this bond to be executed under the official seal of the City and
3 County of San Francisco or a facsimile thereof by the Mayor of the City and County of San
4 Francisco and the Treasurer, to be countersigned by the Clerk of said Board, which
5 signature is to be countersigned by a Deputy Clerk of said Board all as of _____, 2002
6
7

8 _____
9 Mayor of the City and
10 County of San Francisco

11 [SEAL]

12 _____
13 Treasurer of the City and
14 County of San Francisco

15 Countersigned:

16 _____
17 Clerk of the Board
18 of Supervisors

19 Countersigned:

20 _____
21 Deputy Clerk of the
22 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: _____