

FILE NO. 98-1252

RESOLUTION NO. 678-98

1 [Zoo General Obligation Bond Sale]

2 AUTHORIZING AND DIRECTING THE SALE OF NOT TO EXCEED \$11,000,000 CITY AND
3 COUNTY OF SAN FRANCISCO GENERAL OBLIGATION BONDS (ZOO FACILITIES BONDS,
4 1997), SERIES 1998D; PRESCRIBING THE FORM AND TERMS OF SAID BONDS;
5 AUTHORIZING THE EXECUTION, AUTHENTICATION AND REGISTRATION OF SAID
6 BONDS; PROVIDING FOR THE APPOINTMENT OF DEPOSITORIES AND OTHER AGENTS
7 FOR SAID BONDS; PROVIDING FOR THE ESTABLISHMENT OF ACCOUNTS RELATED
8 THERETO; APPROVING THE FORMS OF OFFICIAL NOTICE OF SALE OF BONDS AND
9 NOTICE OF INTENTION TO SELL BONDS; DIRECTING THE PUBLICATION OF OFFICIAL
10 NOTICE OF SALE AND NOTICE OF INTENTION TO SELL BONDS; APPROVING THE FORM
11 AND EXECUTION OF THE OFFICIAL STATEMENT RELATING THERETO; APPROVING
12 THE FORM OF THE CONTINUING DISCLOSURE CERTIFICATE; APPROVING
13 MODIFICATIONS TO DOCUMENTS; RATIFYING CERTAIN ACTIONS PREVIOUSLY TAKEN;
14 AND GRANTING GENERAL AUTHORITY TO CITY OFFICIALS TO TAKE NECESSARY
15 ACTIONS IN CONNECTION WITH THE AUTHORIZATION, ISSUANCE, SALE AND
16 DELIVERY OF SAID BONDS.

17 WHEREAS, By Resolution No. 677-98, adopted on August 17, 1998, the Board
18 of Supervisors authorized the issuance of its Zoo Facilities Bonds, 1997 (the "Authorizing
19 Resolution"); and,

20 WHEREAS, It is necessary and desirable to issue a portion of said Bonds in a single
21 series as City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds,
22 1997), Series 1998D (the "Bonds"); and,

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

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1 WHEREAS, The City and County of San Francisco (the "City") expects to pay certain
2 expenditures in connection with the projects to be financed by the Bonds prior to the issuance
3 and sale of the Bonds, and the City intends to reimburse itself and to pay third parties District for
4 such prior expenditures from the proceeds of the Bonds; and,

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

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

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

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

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

18 Section 2. Conditions Precedent. All conditions, things and acts required by law to exist,
19 to happen and to be performed precedent to and in the issuance of the Bonds exist, have
20 happened and have been performed in due time, form and manner in accordance with
21 applicable law, and the City is now authorized pursuant to its Charter and applicable law to
22 incur indebtedness in the manner and form provided in this Resolution (this "Resolution").

23 Section 3. Issuance of Bonds. The Board of Supervisors hereby authorizes the
24 issuance and sale of not to exceed \$11,000,000 principal amount of bonds to be designated as
25 "City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997),

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1 Series 1998D" for the purposes set forth in the Authorizing Resolution. The Director of Public
2 Finance of the City (the "Director of Public Finance") is hereby authorized to determine the sale
3 date, the interest payment dates and the redemption dates of the Bonds, subject to the
4 following terms and conditions: (i) the Bonds shall not have a tonrue interest cost in excess of
5 12% (as such term is defined in the Official Notice of Sale); (ii) the Bonds shall not have a final
6 maturity date after June 30, 2025; and (iii) any original issue discount on the purchase of the
7 Bonds shall not exceed 2% of the principal amount of the Bonds. The Director of Public
8 Finance is further authorized to give the Bonds such additional or other series designation as
9 may be necessary or appropriate to distinguish such series from every other series and from
10 other bonds issued by the City.

11 Section 4. Execution, Authentication and Registration of the Bonds. The officers of the
12 City are hereby directed to cause the Bonds to be prepared in sufficient quantity for delivery to
13 the purchaser thereof and the Clerk of the Board of Supervisors is hereby directed to cause the
14 blanks therein to be completed in accordance with the Authorizing Resolution, to cause the seal
15 of the City to be reproduced or impressed thereon, to procure their execution by the proper
16 officers of the City, and to deliver the Bonds when so executed to said purchaser in exchange
17 for the purchase price thereof.

18 The Bonds and the City Treasurer's certificate of authentication and registration and the
19 form of assignment to appear thereon shall be substantially in the form attached hereto as
20 Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and which is
21 hereby declared to be a part of this Resolution as if fully set forth herein) with necessary or
22 appropriate variations, omissions and insertions as permitted or required by this Resolution
23 (provided that if a portion of the text of the Bonds is printed on the reverse of the Bonds, the
24 following legend shall be printed on the face of the Bonds: "THE PROVISIONS OF THIS
25 BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED

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1 PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY
2 SET FORTH HERE.")

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

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

11 Section 5. Registration Books. The City Treasurer shall keep or cause to be kept, at the
12 office of the City Treasurer, sufficient books for the registration and transfer of the Bonds, which
13 shall at all times be open to inspection, and upon presentation for such purpose, the City
14 Treasurer shall, under such reasonable regulations as he or she may prescribe, register or
15 transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

16 Section 6. Transfer or Exchange of Bonds. Any Bond may, in accordance with its terms,
17 be transferred upon the books required to be kept pursuant to the provisions of Section 5
18 hereof, by the person in whose name it is registered, in person or by the duly authorized
19 attorney of such person in writing, upon surrender of such Bond for cancellation, accompanied
20 by delivery of a duly executed written instrument of transfer in a form approved by the City
21 Treasurer.

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

24 Whenever any Bond shall be surrendered for transfer or exchange, the designated City
25 officials shall execute (as provided in Section 4 hereof) and the City Treasurer shall authenticate

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1 and deliver a new Bond or Bonds of the same interest rate and maturity in a like aggregate
2 principal amount. The City Treasurer shall require the payment by any bond owner requesting
3 any such transfer of any tax or other governmental charge required to be paid with respect to
4 such transfer or exchange.

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

9 Section 7. Form of the Bonds; Terms of the Bonds; General Redemption Provisions.

10 The Bonds shall each be dated the first day of the month in which the Bonds are sold unless
11 otherwise stated in the Bonds (the "Dated Date") and shall be substantially in the form set forth
12 as Exhibit A hereto. The Bonds shall bear interest from the date thereof until paid at rates not
13 to exceed twelve percent (12%) per annum (the exact rates to be determined upon sale of the
14 Bonds) calculated on the basis of a 360-day year comprised of twelve 30-day months, payable
15 on December 15, 1999, and semiannually thereafter on June 15 and December 15 of each year
16 (or such other dates as may be designated in a certificate of the Director of Public Finance).

17 The Bonds shall be in fully registered form without coupons in denominations of \$5,000 or any
18 integral multiple thereof and shall either mature or be subject to mandatory redemption (as
19 herein provided) on December 15 (or such other date as may be designated in a certificate of
20 the Director of Public Finance) of the years, and in the amounts, as set forth in the Official
21 Statement (defined herein) relating to the Bonds.

22 The principal of the Bonds shall be payable in lawful money of the United States of
23 America to the owner thereof, upon the surrender thereof at maturity or earlier redemption at
24 the office of the City Treasurer. The interest on the Bonds shall be payable in like lawful money
25 to the person whose name appears on the bond registration books of the City Treasurer as the

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1 owner thereof as of the close of business on the last day of the month immediately preceding
2 an interest payment date (the "Record Date"), whether or not such day is a Business Day (as
3 herein defined).

4 Each Bond shall bear interest from the interest payment date next preceding the date of
5 authentication thereof unless it is authenticated as of a day during the period from the Record
6 Date next preceding any interest payment date to the interest payment date, inclusive, in which
7 event it shall bear interest from such interest payment date, or unless it is authenticated on or
8 before November 30, 1999 (or such other date as may be designated in a certificate of the
9 Director of Public Finance), in which event it shall bear interest from the Dated Date; provided,
10 however, that if, at the time of authentication of any Bond, interest is in default on the Bonds,
11 such Bond shall bear interest from the interest payment date to which interest has previously
12 been paid or made available for payment on the Bonds or from the Dated Date if the first
13 interest payment is not made. Payment of the interest on any Bond shall be paid by check
14 mailed to such owner at such owner's address as it appears on the registration books as of the
15 Record Date; provided, however, if any interest payment occurs on a day that banks in
16 California and New York are closed for business, then such payment shall be made on the next
17 succeeding day that banks in both California and New York are open for business and the New
18 York Stock Exchange is open for business (a "Business Day"); and provided, further, that the
19 registered owner of an aggregate principal amount of at least \$1,000,000 of the Bonds may
20 submit a written request to the City Treasurer on or before a Record Date preceding an interest
21 payment date for payment of interest by wire transfer to a commercial bank located within the
22 continental United States. For so long as Cede & Co. or its registered assigns is the registered
23 owner of all of the Bonds, payment shall be made by wire transfer of immediately available
24 funds to Cede & Co.

25 The Bonds maturing on or before December 15, 2006 (or such other date as may be

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1 designated in a certificate of the Director of Public Finance) shall not be subject to optional
2 redemption prior to maturity. The Bonds maturing on or after December 15, 2007 (or such other
3 date as may be designated in a certificate of the Director of Public Finance) are subject to
4 optional redemption prior to their respective stated maturities, at the option of the City, from any
5 source of available funds, as a whole or in part on any date (with the maturities to be redeemed
6 to be determined by the City and by lot within a maturity) on or after December 15, 2006 (or
7 such other date as may be designated in a certificate of the Director of Public Finance), at
8 redemption prices equal to 102% of the principal amount redeemed in the first year the Bonds
9 are subject to optional redemption (with such redemption price declining to 100% at the rate of
10 1% annually), together with accrued interest to the date of redemption.

11 The Bonds shall be subject to mandatory redemption at par, by lot, in any year for which
12 the successful bidder therefor has designated that the principal amount payable with respect to
13 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice
14 of Sale (as more fully described in Section 12 hereof). Any Bonds subject to mandatory
15 redemption shall be designated in the successful bid that shall be awarded by motion of the
16 Finance Committee of the Board of Supervisors prior to the delivery of the Bonds. The principal
17 and interest on Series 1998D Bonds subject to mandatory redemption shall be paid from the
18 Series 1998D Bond Account pursuant to Section 8 hereof. In lieu of any such mandatory
19 redemption, at any time prior to the selection of the Bonds for redemption, the City may apply
20 such amounts on deposit in the Series 1998D Bond Account (as defined in Section 8 hereof) to
21 make such payment to the purchase of Bonds subject to such redemption at public or private
22 sale, as and when and at such prices not in excess of the principal amount thereof (including
23 brokerage and other charges but excluding accrued interest), as the City may determine.

24 The date on which the Bonds which are called for redemption are to be presented for
25 redemption is herein sometimes called the "redemption date." Notice of any redemption of

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

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

15 At least five (5) days before the above notice date, notice also shall be given by (i)
16 registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission, (iii) confirmed
17 electronic transmission or (iv) overnight delivery service, to each of the following securities
18 depositories and information services or their successors, or such other depositories and/or
19 information services as may hereafter be designated by the City:

20 Securities Depositories

- 21 (1) The Depository Trust Company
22 711 Stewart Avenue
23 Garden City, New York 11503
24 Facsimile transmission: (516) 227-4039
25 (516) 227-4190

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1 (2) Midwest Securities Trust Company Capital
2 Structured-Call Notification
3 400 South LaSalle Street
4 Chicago, Illinois 60605
5 Facsimile transmission: (312) 663-2343

6 (3) Philadelphia Depository Trust Company
7 Reorganization Division
8 1900 Market Street
9 Philadelphia, Pennsylvania 19103
10 Facsimile transmission: (215) 596-5058

11 Information Services

12 (1) Financial Information, Inc.'s Financial
13 Daily Called Bond Service
14 30 Montgomery Street, 10th Floor
15 Jersey City, New Jersey 07302
16 Attention: Editor

17 (2) Interactive Data Corporation's Bond Service
18 22 Cortland Street
19 New York, New York 10007

20 (3) Kenny Information Service's Called Bond Service
21 55 Broad Street, 28th Floor
22 New York, New York 10004

23 (4) Moody's Investor's Service
24 5250 77 Center Drive, Suite 150
25 Charlotte, North Carolina 28217
Attention: Call Bond Department

(5) Standard & Poor's Called Bond Record
25 Broadway, 3rd Floor
New York, New York 10004

(6) The Bond Buyer
One State Street Plaza
New York, New York 10004
Attention: Bond Notices

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

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1 At the time the City Treasurer or Controller determines to optionally call and redeem any
2 of the Bonds, the City Treasurer or his or her agent shall establish a Redemption Aredemption
3 account to be described or known as the "General Obligation Bonds Zoo Facilities Bonds,
4 1997), Series 1998D Redemption Account" (the "Series 1998D Redemption Account") and prior
5 to or on the redemption date there must be set aside in said Series 1998D Redemption Account
6 moneys available for the purpose and sufficient to redeem as provided in this Resolution, the
7 Bonds designated in said notice of redemption. Said moneys must be set aside in said athe
8 Series 1998D Redemption Account solely for the purpose and shall be applied on or after the
9 redemption date to payment for the Bonds to be redeemed upon presentation and surrender of
10 such Bonds. Any interest due on or prior to the redemption date shall be paid from the Series
11 1998D Bond Account as provided in Section 8 hereof or from the Series 1998D Redemption
12 Account. Moneys held from time to time in the Series 1998D Redemption Account shall be
13 invested by the City Treasurer pursuant to the City's policies and guidelines for investment of
14 General Fund moneys or pursuant to any resolution authorizing the issuance of refunding
15 bonds or escrow agreement relating thereto. If, after all of the Bonds have been redeemed and
16 canceled or paid and canceled, there are moneys remaining in said Series 1997C8BD
17 Redemption Account, said moneys shall be transferred to the General Fund of the City
18 provided, however, that if said moneys are part of the proceeds of refunding bonds, said
19 moneys shall be transferred pursuant to the resolution authorizing such refunding bonds.

20 When notice of optional redemption has been given, substantially as provided herein,
21 and when the amount necessary for the redemption of the Bonds called for redemption
22 (principal and premium, if any) is set aside for that purpose in said Series 1998D Redemption
23 Account, as provided herein, the Bonds designated for redemption shall become due and
24 payable on the date fixed for redemption thereof, and upon presentation and surrender of said
25 Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and

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1 paid at said redemption price out of said Series 1998D Redemption Account, no interest will
2 accrue on such Bonds called for redemption after the redemption date and the registered
3 owners of such Bonds shall look for payment of such Bonds only to said Series 1998D
4 Redemption Account. All Bonds redeemed shall be canceled forthwith by the City Treasurer
5 and shall not be reissued.

6 The City shall have the right to rescind any optional redemption by written notice to the
7 owner of any Bond previously called for redemption prior to the redemption date. Any notice of
8 optional redemption shall be canceled and annulled if for any reason funds are not available on
9 the date fixed for redemption of the payment in full of the Bonds then called for redemption.
10 Notice of rescission of redemption, whether resulting from the exercise of the City's discretion
11 or from the unavailability of sufficient funds, shall be mailed in the same manner notice of
12 redemption was originally provided. 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 8. Series 1998D 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 1998D Bond
19 Account" (the Series 1998D 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 1998D Project
21 Account (as defined in Section 9 hereof) shall be deposited in the Series 1998D Bond
22 Account.

23 On or prior to the date on which any payment of principal and interest on the Bonds is
24 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer
25 shall allocate to and deposit in the Series 1998D Bond Account, from amounts held in the

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1 Bond Account pursuant to Section 9 of the Authorizing Resolution, an amount which, when
2 added to any available moneys contained in the Series 1998D Bond Account, is sufficient to
3 pay principal and interest on the Bonds on such date.

4 On or prior to the date on which any Bonds are to be redeemed at the option of the
5 City pursuant to the resolution authorizing the issuance and sale of such series of Bonds, the
6 City Treasurer may allocate to and deposit in the Series 1998D Redemption Account, from
7 amounts held in the Bond Account pursuant to Section 9 of the Authorizing Resolution, an
8 amount which, when added to any available moneys contained in the Series 1998D Bond
9 Account, is sufficient to pay principal and interest and any premium on the Bonds on such
10 date. The City Treasurer may make such other provision for the payment of principal and
11 interest and any redemption premium on the Bonds as is necessary or convenient to permit
12 the optional redemption of the Bonds.

13 Amounts in the Series 1998D Bond Account may be invested in any investment of the
14 City in which moneys in the General Fund of the City are invested. The City Treasurer may
15 commingle any of the moneys held in the Series 1998D Bond Account into a separate fund or
16 funds for investment purposes only; *provided, however*, that all of the moneys held in the
17 Series 1998D Bond Account hereunder shall be accounted for separately notwithstanding
18 any such commingling by the City Treasurer.

19 Section 9. Series 1998D Project Account. There is hereby established with the City
20 Treasurer a special subaccount in the General Obligation Bonds (Zoo Facilities Bonds, 1997)
21 Project Account (the "Project Account") created pursuant to the Authorizing Resolution, to be
22 designated the "General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 1998D Project
23 Account" (the Series 1998D Project Account"), to be held separate and apart from all other
24 accounts of the City. All interest earned on amounts on deposit in the Series 1998D Project
25 Account (as defined in Section 9 hereof) shall be deposited in the Series 1998D Bond

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1 Account. Amounts in the Series 1998D Project Account shall be expended for the
2 acquisition, construction and reconstruction of the Project in accordance with the provisions of
3 the Authorizing Resolution.

4 Amounts in the Series 1998D Project Account may be invested in any investment of
5 the City in which moneys in the General Fund of the City are invested. The City Treasurer
6 may commingle any of the moneys held in the Series 1998D Project Account into a separate
7 fund or funds for investment purposes only; *provided, however*, that all of the moneys held in
8 the Series 1998D Project Account hereunder shall be accounted for separately
9 notwithstanding any such commingling by the City Treasurer.

10 Section 10. Appointment of Depositories and Other Agents. The City Treasurer is
11 hereby authorized and directed to appoint one or more depositories as he or she may deem
12 desirable and the provisions of Section 7 relating to payments and redemption notices to
13 owners of the Bonds may be modified to comply with the policies and procedures of such
14 depository. The City will not have any responsibility or obligation to any purchaser of a
15 beneficial ownership interest in any Bonds or to any participants in such a depository with
16 respect to (i) the accuracy of any records maintained by such securities depository or any
17 participant therein; (ii) any notice that is permitted or required to be given to the owners of the
18 Bonds under this Resolution; (iii) the selection by such securities depository or any participant
19 therein of any person to receive payment in the event of a partial redemption of the Bonds;
20 (iv) the payment by such securities depository or any participant therein of any amount with
21 respect to the principal or redemption premium, if any, or interest due with respect to the Bonds;
22 (v) any consent given or other action taken by such securities depository as the owner of the
23 Bonds; or (vi) any other matter.

24 The City Treasurer is hereby also authorized and directed to appoint one or more agents
25 as he or she may deem necessary or desirable. To the extent permitted by applicable law and

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1 under the supervision of the City Treasurer, such agents may serve as paying agent, fiscal
2 agent, or escrow agent or registrar for the Bonds or may assist the City Treasurer in performing
3 any or all of such functions and such other duties as the City Treasurer shall determine. Such
4 agents shall serve under such terms and conditions as the City Treasurer shall determine. The
5 City Treasurer may remove or replace agents appointed pursuant to this paragraph at any time.

6 Section 11. Defeasance Provisions. Payment of all or any portion of the Bonds may be
7 provided for prior to maturity by irrevocably depositing with the City Treasurer (or any
8 commercial bank or trust company designated by the City Treasurer to act as escrow agent with
9 respect thereto):

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

17 (b) Defeasance Securities (as herein defined) not subject to call, maturing and
18 paying interest at such times and in such amounts, together with cash, if required, as will,
19 without reinvestment, as certified by an independent certified public accountant, be fully
20 sufficient to pay the principal and all unpaid interest to maturity, or to the redemption
21 date, as the case may be, and any premium due, on the Bonds to be paid or redeemed,
22 as such principal and interest come due; provided, that, in the case of the Bonds which
23 are to be redeemed prior to maturity, notice of such redemption shall be given as
24 provided in Section 7 hereof or an irrevocable election to give such notice shall have
25 been made by the City;

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1 then, all obligations of the City with respect to said outstanding Bonds shall cease and
2 terminate, except only the obligation of the City to pay or cause to be paid from the funds
3 deposited pursuant to paragraphs (a) or (b) of this Section 11, to the owners of said Bonds all
4 sums due with respect thereto; provided, that the City shall have received an opinion of
5 nationally recognized bond counsel, that provision for the
6 payment of said Bonds has been made in accordance with this Section 11.

7 For purpose of this Section 11, "Defeasance Securities" shall mean any of the following
8 which at the time are legal investments under the laws of the State of California for the moneys
9 proposed to be invested therein:

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

23 For purposes of this Section 11, "United States Obligations" shall mean direct and
24 general obligations of the United States of America, or obligations that are unconditionally
25 guaranteed as to principal and interest by the United States of America, including without

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1 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds which
2 have been stripped by request to the Federal Reserve Bank of New York in book-entry form.

3 Section 12. Official Notice of Sale. The form of proposed Official Notice of Sale inviting
4 bids for the Bonds (a copy of which is on file with the Clerk of the Board of Supervisors in File
5 No. 170-97-7 and which is hereby declared to be a part of this Resolution as if fully set
6 forth herein), is hereby approved and adopted as the Official Notice of Sale inviting bids for the
7 Bonds with such changes, additions and completions as may be made in accordance with
8 Section 18 hereof. The Clerk of the Board of Supervisors is hereby authorized and directed to
9 cause the Official Notice of Sale to be published once, no later than five (5) days before the
10 initial sale date of the Bonds as designated by the Director of Public Finance, and thereafter as
11 may be necessary or desirable, in a newspaper published and circulated in the City or such
12 other newspaper as the City may designate.

13 The Director of Public Finance is hereby authorized and directed to determine a date for
14 the sale of the Bonds, and the Finance Committee of the Board of Supervisors is hereby
15 authorized to award the Bonds to the bidder whose bid represents the lowest true interest cost
16 to the City, all in accordance with the procedures described in the Notice of Sale. Sealed
17 proposals shall be received by the Clerk of the Board of Supervisors on the sale date
18 designated by the Director of Public Finance. The Director of Public Finance is hereby
19 authorized and directed to cause to be mailed to prospective bidders for the Bonds copies of
20 said Official Notice of Sale, subject to such corrections, revisions or additions as may be
21 acceptable to the Director of Public Finance.

22 The Director of Finance may provide, concurrently with the issuance and delivery of
23 the Bonds to the purchaser or purchasers thereof, a certificate setting forth the definitive
24 terms of the Bonds pursuant to Section 7 hereof and as to the disposition of any proceeds of
25 the Bonds, including any premium thereon.

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1 Section 13. Publication of Notice of Intention to Sell Bonds. The form of proposed
2 Notice of Intention to Sell Bonds (a copy of which is on file with the Clerk of the Board of
3 Supervisors in File No. 170-97-9 and which is hereby declared to be a part of this
4 Resolution as if fully set forth herein), is hereby approved and adopted as the Notice of Intention
5 to Sell Bonds, and the Clerk of the Board of Supervisors is hereby authorized and directed to
6 cause said Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions
7 as may be made in accordance with Section 18 hereof, to be published once at least fifteen
8 (15) days before the date of sale in The Bond Buyer, or a financial publication generally
9 circulated throughout the State of California.

10 Section 14. Solicitation of Competitive Bids. This Board of Supervisors hereby
11 authorizes the solicitation of competitive bids for the purchase of the Bonds 1997C8B” on the
12 date and at the place determined in accordance with the Official Notice of Sale herein
13 referenced.

14 Section 15. Official Statement. The form of proposed Official Statement describing the
15 Bonds (the "Official Statement") (a copy of which is on file with the Clerk of the Board of
16 Supervisors in File No. 170-97-9 and which is hereby declared to be a part of this
17 Resolution as if fully set forth herein) submitted to the Board of Supervisors is hereby approved
18 and adopted as the Official Statement describing the Bonds, with such additions, corrections
19 and revisions as may be determined to be necessary or desirable made in accordance with
20 Section 18 hereof. The Controller of the City (the "Controller") is hereby authorized to cause the
21 distribution of a Preliminary Official Statement deemed final for purposes of Rule 15c2-12 of the
22 Securities Exchange Act of 1934, as amended, and to sign a certificate to that effect. The
23 Controller is further hereby authorized and directed to sign the final Official Statement. The
24 Director of Public Finance is hereby authorized and directed to cause to be printed and mailed
25 to prospective bidders for the Bonds copies of the Official Statement in substantially the form of

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1 the Preliminary Official Statement approved and adopted hereby, as supplemented, corrected
2 or revised.

3 Section 16. Tax Covenant. (a) The City hereby covenants that the City will not make
4 any use of the proceeds of the Bonds or any other funds of the City which would cause the
5 Bonds to be: (i) "arbitrage bonds," the interest on which will be subject to inclusion in gross
6 income for purposes of federal income taxation by reason of Section 148 of the Internal
7 Revenue Code of 1986, as amended (herein called the "Code"); (ii) "private activity bonds," the
8 interest on which will be subject to inclusion in gross income for purposes of federal income
9 taxation by reason of Section 141(a) of the Code; or, (iii) obligations the interest on which will be
10 subject to inclusion in gross income for purposes of federal income taxation because they are
11 "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the City, with
12 respect to the proceeds of the Bonds, will comply with all requirements of such sections of the
13 Code and all regulations of the United States Department of Treasury issued thereunder to the
14 extent that such requirements are, at the time, applicable and in effect, and will comply with the
15 provisions of the Tax and Non-Arbitrage Certificate to be entered into by the City, dated the
16 date of issuance of the Bonds, as originally executed and as it may be amended from time to
17 time (herein called the "Tax Certificate").

18 (b) In furtherance of the covenants of the City set forth above, this Board of
19 Supervisors will cause the Controller and the City Treasurer and all other appropriate City
20 officials to comply with the Tax Certificate.

21 Section 17. Continuing Disclosure Certificate. The form of Continuing Disclosure
22 Certificate issued by the City to permit the original purchasers of the Bonds to comply with
23 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities
24 Exchange Act of 1934, as amended (a copy of which is on file with the Clerk of the Board of
25 Supervisors in File No. 98-1252 and which is hereby declared to be a part of this

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1 Resolution as if fully set forth herein) submitted to the Board of Supervisors is hereby approved
2 and adopted as the Continuing Disclosure Certificate, with such additions, corrections and
3 revisions as may be determined to be necessary or desirable made in accordance with
4 Section 18 hereof. The Controller is hereby authorized and directed to enter into the Continuing
5 Disclosure Certificate on behalf of the City.

6 Section 18. Modification to Documents. Any City official authorized by this Resolution to
7 execute any document is hereby further authorized, in consultation with the City Attorney, to
8 approve and make such changes, additions, amendments or modifications to the document or
9 documents such official is authorized to execute as may be necessary or advisable (provided
10 that such changes, additions, amendments or modifications shall not authorize an aggregate
11 principal amount of Series 1998D Bonds in excess of \$11,000,000 or conflict with the
12 provisions of Section 3 hereof). The approval of any change, addition, amendment or
13 modification to any of the aforementioned documents shall be evidenced conclusively by the
14 execution and delivery of the document in question.

15 Section 19. Ratification. All actions heretofore taken by officials, employees and agents
16 of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed
17 and ratified.

18 Section 20. Relationship to Authorizing Resolutions. In the event of any conflict
19 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
20 control.

21 Section 21. Reimbursement. The City hereby declares its official intent to reimburse
22 prior expenditures of the City incurred prior to the issuance and sale of the Bonds in connection
23 with the projects to be financed by the Bonds.

24 Section 22. General Authority. The Clerk of the Board of Supervisors, the Finance
25 Committee of the Board of Supervisors, the Mayor, the City Treasurer, the Director of Public

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1 Finance, the City Attorney and the Controller are each hereby authorized and directed in the
2 name and on behalf of the City to take any and all steps and to issue and deliver any and all
3 certificates, requisitions, agreements, notices, consents, and other documents, including but not
4 limited to letters of representations to any depository or depositories which they or any of them
5 might deem necessary or appropriate in order to consummate the lawful issuance, sale and
6 delivery of the Bonds.

7
8 APPROVED AS TO FORM:

9 LOUISE H. RENNE
10 City Attorney

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12 By: 

13 DAVE ANGELO SANCHEZ
14 Deputy City Attorney
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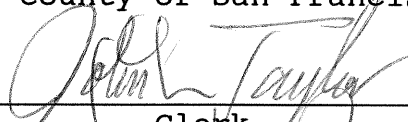
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Adopted - Board of Supervisors, San Francisco August 17, 1998

Ayes: Supervisors Ammiano Bierman Brown Katz Kaufman Leno
Medina Newsom Yaki Yee

Absent: Supervisor Teng

I hereby certify that the foregoing resolution
was adopted by the Board of Supervisors
of the City and County of San Francisco



Clerk



Mayor

File No.
98-1252

AUG 28 1998
Date Approved