

1 [Bond Sale of Clean and Safe Neighborhood Parks General Obligation Bonds.]

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3 **Resolution authorizing and directing the sale of not to exceed \$45,000,000 City and**
4 **County of San Francisco General Obligation Bonds (Clean and Safe Neighborhood**
5 **Parks Bonds, 2008) Series 2008B; prescribing the form and terms of said Bonds;**
6 **authorizing the execution, authentication and registration of said Bonds; providing for**
7 **the appointment of depositories and other agents for said Bonds; providing for the**
8 **establishment of accounts related thereto; approving the forms of Official Notice of**
9 **Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of**
10 **Intention to Sell Bonds; approving the form and execution of the Official Statement**
11 **relating thereto; approving the form of the Continuing Disclosure Certificate; approving**
12 **modifications to documents; ratifying certain actions previously taken; and granting**
13 **general authority to City officials to take necessary actions in connection with the**
14 **authorization, issuance, sale and delivery of said Bonds.**

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16 WHEREAS, By Resolution No. __ (the "Authorizing Resolution"), adopted by the Board
17 of Supervisors (the "Board") of the City and County of San Francisco (the "City") on _____,
18 2008, and signed by the Mayor of the City (the "Mayor") on _____, 2008, the City authorized
19 the issuance of its Clean and Safe Neighborhood Parks Bonds, 2008; and,

20 WHEREAS, It is necessary and desirable to issue an amount not to exceed of
21 \$45,000,000 City and County of San Francisco General Obligation Bonds (Clean and Safe
22 Neighborhood Parks Bonds, 2008) Series 2008B (the "Series 2008B Bonds"); and,

23 WHEREAS, The Series 2008B Bonds are being issued pursuant to the Authorizing
24 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
25 Code, the Charter of the City and a duly held election called for by Ordinance 237-07 adopted

1 by the Board on October 23, 2007 and signed by the Mayor on October 24, 2007 (the "Bond
2 Ordinance"); and,

3 WHEREAS, the Citizens' General Obligation Bond Oversight Committee shall conduct
4 an annual review of bond spending and shall provide an annual report on the management of
5 the program to the Mayor, Board of Supervisors, the Recreation and Park Commission and
6 the Port Commission and to the extent permitted by law, one-tenth of one percent (0.1%) of
7 the gross proceeds of the Series 2008B Bonds shall be deposited in a fund established by the
8 Controller's Office and appropriated by the Board of Supervisors at the direction of the
9 Citizen's General Obligation Bond Oversight Committee to cover the costs of this committee
10 and this review process; and,

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

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

14 Section 2. Conditions Precedent. All conditions, things and acts required by law to
15 exist, to happen and to be performed precedent to and in the issuance of the Series 2008B
16 Bonds exist, have happened and have been performed in due time, form and manner in
17 accordance with applicable law, and the City is now authorized pursuant to the Charter of the
18 City and applicable law to incur indebtedness in the manner and form provided in this
19 Resolution.

20 Section 3. Documents. The documents presented to the Board and on file with the
21 Clerk of the Board of Supervisors or his or her designee (the "Clerk of the Board of
22 Supervisors") are contained in File No. _____.

23 Section 4. Issuance and Sale of Series 2008B Bonds. The Board hereby authorizes
24 the issuance and sale of not to exceed \$45,000,000 principal amount of bonds to be
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1 designated as “City and County of San Francisco General Obligation Bonds (Clean and Safe
2 Neighborhood Parks Bonds, 2008) Series 2008B” for the purposes set forth in the Bond
3 Ordinance and Proposition A approved by the voters on February 5, 2008. The Director of
4 Public Finance of the City or his or her designee (the “Director of Public Finance”) is hereby
5 authorized to determine the sale date, the maturity dates and the redemption dates of the
6 Series 2008B Bonds, subject to the following terms and conditions: (i) the Series 2008B
7 Bonds shall not have a true interest cost in excess of 12% (as such term is defined in the
8 Official Notice of Sale (as defined in Section 14 hereof)); and (ii) the Series 2008B Bonds shall
9 not have a final maturity date after 2028. The Director of Public Finance is further authorized
10 to give the Series 2008B Bonds such additional or other series designation as may be
11 necessary or appropriate to distinguish such series from every other series and from other
12 bonds issued by the City.

13 Section 5. Execution Authentication and Registration of the Series 2008B Bonds. The
14 Series 2008B Bonds shall be in fully registered form without coupons in denominations of
15 \$5,000 or any integral multiple thereof. The officers of the City are hereby directed to cause
16 the Series 2008B Bonds to be prepared in sufficient quantity for delivery to or for the account
17 of the purchaser thereof and the Clerk of the Board of Supervisors is hereby directed to cause
18 the blanks therein to be completed in accordance with the Authorizing Resolution, to cause
19 the seal of the City to be reproduced or impressed thereon, to procure their execution by the
20 proper officers of the City (including by facsimile signature if necessary or convenient), and to
21 deliver the Series 2008B Bonds when so executed to said purchaser in exchange for the
22 purchase price thereof, all in accordance with the Authorizing Resolution.

23 The Series 2008B Bonds and the certificate of authentication and registration, manually
24 executed by the Treasurer of the City or his or her designee (the “City Treasurer”) and the
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1 form of assignment to appear thereon shall be substantially in the form attached hereto as
2 Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and which is
3 hereby declared to be a part of this Resolution as if fully set forth herein) with necessary or
4 appropriate variations, omissions and insertions as permitted or required by this Resolution.

5 Only such of the Series 2008B Bonds as shall bear thereon a certificate of
6 authentication and registration in the form herein recited, executed by the City Treasurer, shall
7 be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such
8 certificate of the City Treasurer, executed as herein provided, shall be conclusive evidence
9 that the Series 2008B Bonds so authenticated have been duly authenticated and delivered
10 hereunder and are entitled to the benefits of this Resolution.

11 The City Treasurer shall assign a distinctive letter, or number, or letter and number to
12 each Series 2008B Bond authenticated and registered by him or her and shall maintain a
13 record thereof which shall be available for inspection.

14 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
15 the office of the City Treasurer, or at the designated office of any registrar appointed by the
16 City Treasurer, sufficient books for the registration and transfer of the Series 2008B Bonds,
17 which shall at all times be open to inspection, and upon presentation for such purpose, the
18 City Treasurer shall, under such reasonable regulations as he or she may prescribe, register
19 or transfer or cause to be registered or transferred, on said books, Series 2008B Bonds as
20 herein provided. The City and the City Treasurer may treat the registered owners of the Series
21 2008B Bonds as the absolute owners thereof for all purposes, and the City and the City
22 Treasurer shall not be affected by any notice to the contrary.

23 Section 7. Transfer or Exchange of Series 2008B Bonds. Any Series 2008B Bond
24 may, in accordance with its terms, be transferred upon the books required to be kept pursuant
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1 to the provisions of Section 6 hereof, by the person in whose name it is registered, in person
2 or by the duly authorized attorney of such person in writing, upon surrender of such Series
3 2008B Bond for cancellation, accompanied by delivery of a duly executed written instrument
4 of transfer in a form approved by the City Treasurer.

5 Any Series 2008B Bonds may be exchanged at the office of the City Treasurer for a
6 like aggregate principal amount of other authorized denominations of the same interest rate
7 and maturity.

8 Whenever any Series 2008B Bond shall be surrendered for transfer or exchange, the
9 designated City officials shall execute (as provided in Section 5 hereof) and the City Treasurer
10 shall authenticate and deliver a new Series 2008B Bond or Series 2008B Bonds of the same
11 interest rate and maturity in a like aggregate principal amount. The City Treasurer shall
12 require the payment by any bond owner requesting any such transfer of any tax or other
13 governmental charge required to be paid with respect to such transfer or exchange.

14 No transfer or exchange of Series 2008B Bonds shall be required to be made by the
15 City Treasurer during the period from the Record Date (as defined herein) next preceding
16 each interest payment date to such interest payment date or after a notice of redemption shall
17 have been mailed with respect to such Series 2008B Bond.

18 Section 8. Terms of the Series 2008B Bonds: General Redemption Provisions. The
19 Series 2008B Bonds shall each be dated the date (the "Dated Date") as specified in the award
20 to be made pursuant to Section 14 hereof (the "Bond Award"). The Series 2008B Bonds shall
21 bear interest from the Dated Date until the principal is paid in full at rates to be determined
22 upon the sale of the Series 2008B Bonds, calculated on the basis of a 360-day year
23 comprised of twelve 30-day months, payable on December 15, 2008, and semiannually

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

3 The principal of the Series 2008B Bonds shall be payable in lawful money of the United
4 States of America to the owner thereof, upon the surrender thereof at maturity or earlier
5 redemption at the office of the City Treasurer. The interest on the Series 2008B Bonds shall
6 be payable in like lawful money to the person whose name appears on the bond registration
7 books of the City Treasurer as the owner thereof as of the close of business on the last day of
8 the month immediately preceding an interest payment date (the "Record Date"), whether or
9 not such day is a Business Day (as herein defined).

10 Each Series 2008B Bond shall bear interest from the interest payment date next
11 preceding the date of authentication thereof unless it is authenticated as of a day during the
12 period from the Record Date next preceding any interest payment date to the interest
13 payment date, inclusive, in which event it shall bear interest from such interest payment date,
14 or unless it is authenticated on or before November 30, 2008 (or such other date as may be
15 designated in the Bond Award), in which event it shall bear interest from the Dated Date;
16 provided, however, that if, at the time of authentication of any Series 2008B Bond, interest is
17 in default on the Series 2008B Bonds, such Series 2008B Bond shall bear interest from the
18 interest payment date to which interest has previously been paid or made available for
19 payment on the Series 2008B Bonds or from the Dated Date if the first interest payment is not
20 made. Except as may be otherwise provided in connection with any book-entry only system
21 applicable to the Series 2008B Bonds, payment of the interest on any Series 2008B Bond
22 shall be made by check mailed on the interest payment date to such owner at such owner's
23 address as it appears on the registration books as of the Record Date; provided, however, if
24 any interest payment date occurs on a day that banks in California or New York are closed for
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1 business or the New York Stock Exchange is closed for business, then such payment shall be
2 made on the next succeeding day that banks in both California and New York are open for
3 business and the New York Stock Exchange is open for business (a "Business Day"); and
4 provided, further, that the registered owner of an aggregate principal amount of at least
5 \$1,000,000 of the Series 2008B Bonds may submit a written request to the City Treasurer on
6 or before a Record Date preceding an interest payment date for payment of interest by wire
7 transfer to a commercial bank located within the United States of America. For so long as the
8 Series 2008B Bonds are held in book-entry form by a securities depository selected by the
9 City pursuant to Section 12 hereof, payment may be made to the registered owner of the
10 Series 2008B Bonds designated by such securities depository by wire transfer of immediately
11 available funds.

12 The Series 2008B Bonds shall be subject to optional redemption prior to maturity as
13 provided in the Official Notice of Sale or the Bond Award.

14 The Series 2008B Bonds shall be subject to mandatory redemption at par, by lot, in
15 any year for which the purchaser thereof has designated that the principal amount payable
16 with respect to that year shall constitute a mandatory sinking fund payment as permitted by
17 the Official Notice of Sale (as more fully described in Section 14 hereof). Any Series 2008B
18 Bonds subject to mandatory redemption shall be designated as such in the final Official Notice
19 of Sale or the Bond Award. The principal and interest on the Series 2008B Bonds subject to
20 mandatory redemption shall be paid from the Series 2008B Bond Account, pursuant to
21 Section 9 hereof. In lieu of any such mandatory redemption for the Series 2008B Bonds, at
22 any time prior to the selection of the Series 2008B Bonds for mandatory redemption, the City
23 may apply such amounts on deposit in the Series 2008B Bond Account (as defined in Section
24 9 hereof) to make such payment to the purchase of Series 2008B Bonds subject to such
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1 redemption at public or private sale, as and when and at such prices not in excess of the
2 principal amount thereof (including sales commission and other charges but excluding
3 accrued interest), as the City may determine.

4 Whenever less than all the outstanding Series 2008B Bonds maturing on any one date
5 are called for redemption on any one date, the City Treasurer will select the Series 2008B
6 Bonds or portions thereof, in denominations of \$5,000 or any integral multiple thereof, to be
7 redeemed from the outstanding Series 2008B Bonds maturing on such date not previously
8 selected for redemption, by lot, in any manner which the City Treasurer deems fair. The date
9 on which the Series 2008B Bonds which are called for redemption are to be presented for
10 redemption is herein called the "Redemption Date." The City Treasurer shall mail, or cause to
11 be mailed, notice of any redemption of Series 2008B Bonds, postage prepaid, to the
12 respective registered owners thereof at the addresses appearing on the bond registration
13 books not less than fifteen (15) nor more than sixty (60) days prior to the Redemption Date.
14 The notice of redemption shall (a) state the Redemption Date; (b) state the redemption price;
15 (c) state the maturity dates of the Series 2008B Bonds and, if less than all of any such
16 maturity is called for redemption, the distinctive numbers of the Series 2008B Bonds of such
17 maturity to be redeemed, and in the case of Series 2008B Bonds redeemed in part only, the
18 respective portions of the principal amount thereof to be redeemed; (d) state the CUSIP
19 number, if any, of each Series 2008B Bond to be redeemed; (e) require that such Bonds be
20 surrendered by the owners at the office of the City Treasurer or his or her agent; and (f) give
21 notice that interest on such Series 2008B Bonds will cease to accrue after the designated
22 Redemption Date. Such notice of redemption may be conditional upon receipt of funds or
23 other event specified in the notice of redemption.

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1 The actual receipt by the owner of any Series 2008B Bond of notice of such
2 redemption shall not be a condition precedent to redemption, and failure to receive such
3 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
4 for the redemption of such Series 2008B Bonds or the cessation of accrual of interest on such
5 Series 2008B Bonds on the Redemption Date.

6 Notice of such redemption also shall be given, or caused to be given, by the City
7 Treasurer, by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile
8 transmission or (iii) overnight delivery service, to (a) all organizations registered with the
9 Securities and Exchange Commission as securities depositories and (b) such other services
10 or organizations as may be required in accordance with the Continuing Disclosure Certificate
11 described in Section 19 hereof.

12 The notice or notices required for redemption shall be given by the City Treasurer, or
13 any agent appointed by the City. A certificate of the City Treasurer or such other appointed
14 agent of the City that notice of redemption has been given to the owner of any Series 2008B
15 Bond in accordance with this Resolution shall be conclusive against all parties.

16 At the time the City Treasurer or the Controller of the City or his or her designee (the
17 "Controller") determines to optionally call and redeem any of the Series 2008B Bonds, the City
18 Treasurer or his or her agent shall establish a redemption account to be described or known
19 as the "General Obligation Bonds (Clean and Safe Neighborhood Parks Bonds, 2008) Series
20 2008B Redemption Account" (the "Series 2008B Redemption Account") and prior to or on the
21 Redemption Date there must be set aside in said Series 2008B Redemption Account moneys
22 available for the purpose and sufficient to redeem as provided in this Resolution, the Series
23 2008B Bonds designated in said notice of redemption, subject to rescission as hereinafter
24 provided. Said moneys must be set aside in the Series 2008B Redemption Account solely for
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1 the purpose of, and shall be applied on or after the Redemption Date to, payment of the
2 redemption price of the Series 2008B Bonds to be redeemed upon presentation and
3 surrender of such Series 2008B Bonds. Any interest due on or prior to the Redemption Date
4 may be paid from the Series 2008B Bond Account as provided in Section 9 hereof or from the
5 Series 2008B Redemption Account. Moneys held from time to time in the Series 2008B
6 Redemption Account shall be invested by the City Treasurer pursuant to the City's policies
7 and guidelines for investment of moneys in the General Fund of the City. If, after all of the
8 Series 2008B Bonds have been redeemed and canceled or paid and canceled, there are
9 moneys remaining in said Series 2008B Redemption Account, said moneys shall be
10 transferred to the General Fund of the City or to such other fund or account as required by
11 applicable law.

12 When notice of optional redemption has been given, substantially as provided herein,
13 and when the amount necessary for the redemption of the Series 2008B Bonds called for
14 redemption (principal, premium, if any, and accrued interest to such Redemption Date) is set
15 aside for that purpose in said Series 2008B Redemption Account, as provided herein, the
16 Series 2008B Bonds designated for redemption shall become due and payable on the
17 Redemption Date therefor, and upon presentation and surrender of said Series 2008B Bonds
18 at the place specified in the notice of redemption, such Series 2008B Bonds shall be
19 redeemed and paid at said redemption price out of said Series 2008B Redemption Account.
20 No interest will accrue on such Series 2008B Bonds called for redemption after the
21 Redemption Date and the registered owners of such Series 2008B Bonds shall look for
22 payment of such Series 2008B Bonds only to said Series 2008B Redemption Account. All
23 Series 2008B Bonds redeemed shall be canceled forthwith by the City Treasurer and shall not
24 be reissued.

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1 The City may rescind any optional redemption and notice thereof for any reason on any
2 date prior to the Redemption Date by causing written notice of the rescission to be given to
3 the owners of all Series 2008B Bonds so called for redemption. Any optional redemption and
4 notice thereof shall be rescinded if for any reason on the Redemption Date funds are not or
5 will not be available in the Series 2008B Redemption Account in an amount sufficient to pay in
6 full on said date the principal of, interest, and premium, if any, due on the Series 2008B Bonds
7 called for redemption. Notice of rescission of redemption shall be given in the same manner
8 notice of redemption was originally given. The actual receipt by the owner of any Series
9 2008B Bond of notice of such rescission shall not be a condition precedent to rescission, and
10 failure to receive such notice or any defect in such notice so mailed shall not affect the validity
11 of the rescission.

12 Section 9. Series 2008B Bond Account. There is hereby established with the City
13 Treasurer a special subaccount in the General Obligation Bonds (Clean and Safe
14 Neighborhood Parks Bonds, 2008) Bond Account (the "Bond Account") created pursuant to
15 the Authorizing Resolution, to be designated the "General Obligation Bonds (Clean and Safe
16 Neighborhood Parks Bonds, 2008) Series 2008B Bond Account" (the "Series 2008B Bond
17 Account"), to be held separate and apart from all other accounts of the City. All interest
18 earned on amounts on deposit in the Series 2008B Bond Account shall be retained in the
19 Series 2008B Bond Account.

20 On or prior to the date on which any payment of principal or interest on the Bonds is
21 due, including any Series 2008B Bonds subject to mandatory redemption on said date, the
22 City Treasurer shall allocate to and deposit in the Bond Account, from amounts held in the
23 Bond Account, an amount which, when added to any available moneys contained in the
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1 Series 2008B Bond Account, is sufficient to pay principal and interest on the Series 2008B
2 Bonds on such date.

3 On or prior to the date on which any Series 2008B Bonds are to be redeemed at the
4 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
5 in the Series 2008B Redemption Account, from amounts held in the Bond Account pursuant to
6 Section 8 of the Authorizing Resolution, an amount which, when added to any available
7 moneys contained in the Series 2008B Redemption Account, is sufficient to pay principal,
8 interest and premium, if any, on such Series 2008B Bonds on such date. The City Treasurer
9 may make such other provision for the payment of principal and interest and any redemption
10 premium on the Series 2008B Bonds as is necessary or convenient to permit the optional
11 redemption of the Series 2008B Bonds.

12 Amounts in the Series 2008B Bond Account may be invested in any investment of the
13 City in which moneys in the General Fund of the City are invested. The City Treasurer may
14 commingle any of the moneys held in the Series 2008B Bond Account with other City moneys
15 or deposit amounts credited to the Series 2008B Bond Account into a separate fund or funds
16 for investment purposes only; provided, however, that all of the moneys held in the Series
17 2008B Bond Account hereunder shall be accounted for separately notwithstanding any such
18 commingling or separate deposit by the City Treasurer. Any bid premium or accrued interest
19 received upon the delivery of the Series 2008B Bonds shall be deposited into the Series
20 2008B Bond Account.

21 Section 10. Series 2008B Project Account. There is hereby established with the City
22 Treasurer a special subaccount in the General Obligation Bonds (Clean and Safe
23 Neighborhood Parks Bonds, 2008) Project Account (the "Project Account") created pursuant
24 to the Authorizing Resolution, to be designated the "General Obligation Bonds (Clean and
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1 Safe Neighborhood Parks Bonds, 2008) Series 2008B Project Account” (the “Series 2008B
2 Project Account”), to be held separate and apart from all other accounts of the City. All
3 interest earned on amounts on deposit in the Series 2008B Project Account shall be retained
4 in the Series 2008B Project Account. Amounts in the Series 2008B Project Account shall be
5 expended in accordance with the provisions of the Authorizing Resolution for the acquisition,
6 renovation and construction of the Project (as defined in the Authorizing Resolution) or
7 portions thereof.

8 Amounts in the Series 2008B Project Account may be invested in any investment of the
9 City in which moneys in the General Fund of the City are invested. The City Treasurer may
10 commingle any of the moneys held in the Series 2008B Project Account with other City
11 moneys or deposit amounts credited to the Series 2008B Project Account into a separate fund
12 or funds for investment purposes only; provided, however, that all of the moneys held in the
13 Series 2008B Project Account (including interest earnings) hereunder shall be accounted for
14 separately notwithstanding any such commingling or separate deposit by the City Treasurer.

15 The City Treasurer is hereby authorized to pay or cause to be paid from the proceeds
16 of the Series 2008B Bonds, on behalf of the City, the costs of issuance associated with the
17 Series 2008B Bonds. Costs of issuance of the Series 2008B Bonds shall include, without
18 limitation, bond and financial printing expenses, mailing and publication expenses, rating
19 agency fees, the fees and expenses of paying agents, registrars, financial consultants,
20 disclosure counsel and co-bond counsel and the reimbursement of departmental expenses in
21 connection with the issuance of the Series 2008B Bonds.

22 Section 11. Depository Trust Company. The Depository Trust Company (“DTC”) is
23 hereby appointed as depository for the Series 2008B Bonds. The Series 2008B Bonds shall
24 be initially issued in book-entry form (“Book-Entry Bonds”). Upon initial issuance, the
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1 ownership of each such Series 2008B Bond shall be registered in the bond register in the
2 name of Cede & Co., as nominee (the "Nominee") of DTC. So long as the Series 2008B
3 Bonds are registered in book-entry form they shall be registered in the name of Cede & Co.

4 Section 12. Appointment of Depositories and Other Agents. The City Treasurer is
5 hereby authorized and directed to appoint one or more depositories as he or she may deem
6 desirable and the procedures set forth in Section 8 hereof relating to registration of ownership
7 of the Series 2008B Bonds, and payments and redemption notices to owners of the Series
8 2008B Bonds may be modified to comply with the policies and procedures of such depository.
9 The City will not have any responsibility or obligation to any purchaser of a beneficial
10 ownership interest in any Series 2008B Bonds or to any participants in such a depository with
11 respect to (i) the accuracy of any records maintained by such securities depository or any
12 participant therein; (ii) any notice that is permitted or required to be given to the owners of the
13 Series 2008B Bonds under this Resolution; (iii) the selection by such securities depository or
14 any participant therein of any person to receive payment in the event of a partial redemption
15 of the Series 2008B Bonds; (iv) the payment by such securities depository or any participant
16 therein of any amount with respect to the principal or redemption premium, if any, or interest
17 due with respect to the Series 2008B Bonds; (v) any consent given or other action taken by
18 such securities depository as the owner of the Series 2008B Bonds; or (vi) any other matter.

19 The City Treasurer is hereby also authorized and directed to appoint one or more
20 agents as he or she may deem necessary or desirable. To the extent permitted by applicable
21 law and under the supervision of the City Treasurer, such agents may serve as paying agent,
22 fiscal agent, rebate calculation agent or escrow agent or registrar for the Series 2008B Bonds
23 or may assist the City Treasurer in performing any or all of such functions and such other
24 duties as the City Treasurer shall determine. Such agents shall serve under such terms and
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1 conditions as the City Treasurer shall determine. The City Treasurer may remove or replace
2 agents appointed pursuant to this paragraph at any time.

3 Section 13. Defeasance Provisions. Payment of all or any portion of the Series
4 2008B Bonds may be provided for prior to such Series 2008B Bonds' respective stated
5 maturities by irrevocably depositing with the City Treasurer (or any commercial bank or trust
6 company designated by the City Treasurer to act as escrow agent with respect thereto):

7 (a) An amount of cash equal to the principal amount of all of such Series 2008B
8 Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in the case
9 of Series 2008B Bonds which are to be redeemed prior to such Series 2008B Bonds'
10 respective stated maturities and in respect of which notice of such redemption shall have
11 been given as provided in Section 8 hereof or an irrevocable election to give such notice shall
12 have been made by the City, the amount to be deposited shall be the principal amount
13 thereof, all unpaid interest thereon to the Redemption Date, and premium, if any, due on such
14 Redemption Date; or

15 (b) Defeasance Securities (as herein defined) not subject to call, except as provided
16 below in the definition thereof, maturing and paying interest at such times and in such
17 amounts, together with interest earnings and cash, if required, as will, without reinvestment,
18 as certified by an independent certified public accountant, be fully sufficient to pay the
19 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,
20 and premium, if any, due on the Series 2008B Bonds to be paid or redeemed, as such
21 principal and interest come due; provided, that, in the case of the Series 2008B Bonds which
22 are to be redeemed prior to maturity, notice of such redemption shall be given as provided in
23 Section 8 hereof or an irrevocable election to give such notice shall have been made by the
24 City; then, all obligations of the City with respect to said outstanding Series 2008B Bonds shall
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1 cease and terminate, except only the obligation of the City to pay or cause to be paid from the
2 funds deposited pursuant to paragraphs (a) or (b) of this Section 13, to the owners of said
3 Series 2008B Bonds all sums due with respect thereto and the obligations of the City pursuant
4 to Section 18 hereof; provided, that the City shall have received an opinion of nationally
5 recognized bond counsel, that provision for the payment of said Series 2008B Bonds has
6 been made in accordance with this Section 13.

7 For purposes of this Section 13, "Defeasance Securities" shall mean any of the
8 following which at the time are legal investments under the laws of the State of California for
9 the moneys 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 the
13 trustee has been given irrevocable instructions concerning their calling and redemption and
14 the issuer has covenanted not to redeem such obligations other than as set forth in such
15 instructions; (b) the municipal obligations are secured by cash and/or United States
16 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in
17 the escrow fund or the Series 2008B Redemption Account) are sufficient to meet the liabilities
18 of the municipal obligations; (d) the United States Obligations serving as security for the
19 municipal obligations are held by the City Treasurer or, if appointed by the City Treasurer
20 pursuant to Section 12 hereof, an escrow agent or trustee; (e) the United States Obligations
21 are not available to satisfy any other claims, including those against the trustee or escrow
22 agent; and (f) the municipal obligations are rated, at the time of original deposit to the escrow
23 fund, the highest ratings category by any two Rating Agencies (as defined herein).

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

10 For purposes of this Section 13, "Rating Agencies" shall mean Moody's Investors
11 Service, Inc., Fitch Ratings, and Standard and Poor's Rating Services, a division of The
12 McGraw-Hill Companies, Inc., or any other nationally-recognized bond rating agency which is
13 the successor to any of the foregoing rating agencies or which is otherwise established after
14 the date hereof.

15 Section 14. Official Notice of Sale. The form of proposed Official Notice of Sale
16 Inviting Bids for the Series 2008B Bonds (the "Official Notice of Sale") submitted to the Board
17 is hereby approved and adopted as the Official Notice of Sale Inviting Bids for the Series
18 2008B Bonds with such changes, additions and modifications as may be made in accordance
19 with Section 20 hereof.

20 Bids shall be received on the date designated by the Director of Public Finance
21 pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized and directed
22 to cause to be circulated to prospective bidders for the Series 2008B Bonds copies of the
23 Official Notice of Sale, subject to such corrections, revisions or additions as may be
24 acceptable to the Director of Public Finance.
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1 The Controller is hereby authorized to award the Series 2008B Bonds to the bidder
2 whose bid represents the lowest true interest cost to the City, all in accordance with the
3 procedures described in the Official Notice of Sale. The Controller shall provide a copy of the
4 Bond Award as soon as practicable to the Clerk of the Board of Supervisors and the Director
5 of Public Finance; provided, however, that failure to provide such copies shall not affect the
6 validity of the Bond Award.

7 Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed
8 Notice of Intention to Sell Bonds for the Series 2008B Bonds (the "Notice of Intention to Sell
9 Bonds") submitted to the Board is hereby approved and adopted as the Notice of Intention to
10 Sell Bonds for the Series 2008B Bonds, and the Director of Public Finance is hereby
11 authorized and directed to cause the Notice of Intention to Sell Bonds, subject to such
12 corrections, revisions or additions as may be made in accordance with Section 20 hereof, to
13 be published once in The Bond Buyer or another financial publication generally circulated
14 throughout the State of California.

15 Section 16. Solicitation of Competitive Bids. The Board hereby authorizes the
16 solicitation of competitive bids for the purchase of the Series 2008B Bonds on the date and at
17 the place determined in accordance with the Official Notice of Sale herein referenced.

18 Section 17. Official Statement. The form of proposed Preliminary Official Statement
19 describing the Series 2008B Bonds (the "Preliminary Official Statement") submitted to the
20 Board is hereby approved and adopted as the Preliminary Official Statement describing the
21 Series 2008B Bonds, with such additions, corrections and revisions as may be determined to
22 be necessary or desirable made in accordance with Section 20 hereof. The Controller is
23 hereby authorized to cause the distribution of a Preliminary Official Statement deemed final
24 for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and to
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1 sign a certificate to that effect. The Director of Public Finance is hereby authorized and
2 directed to cause to be printed and mailed or electronically distributed to prospective bidders
3 for the Series 2008B Bonds copies of the Preliminary Official Statement in substantially the
4 form of the Preliminary Official Statement approved and adopted hereby, as completed,
5 supplemented, corrected or revised. The Controller is authorized and directed to approve,
6 execute, and deliver the final Official Statement with respect to the Series 2008B Bonds,
7 which final Official Statement shall be in the form of the Preliminary Official Statement, with
8 such additions, corrections and revisions as may be determined to be necessary or desirable
9 made in accordance with Section 20 hereof. The Director of Public Finance is hereby
10 authorized and directed to cause to be printed and mailed or electronically distributed copies
11 of the final Official Statement to all actual initial purchasers of the Series 2008B Bonds.

12 Section 18. Tax Covenants.

13 (a) General. The City hereby covenants with the holders of the Series 2008B Bonds
14 that, notwithstanding any other provisions of this Resolution, it shall not take any action, or fail
15 to take any action, if any such action or failure to take action would adversely affect the
16 exclusion from gross income of interest on the Series 2008B Bonds under Section 103 of the
17 Internal Revenue Code of 1986 (the "Code"), and the regulations issued thereunder, as the
18 same may be amended from time to time, and any successor provisions of law. Reference to
19 a particular section of the Code shall be deemed to be a reference to any successor to any
20 such section. The City shall not, directly or indirectly, use or permit the use of proceeds of the
21 Series 2008B Bonds or any of the property financed or refinanced with proceeds of the Series
22 2008B Bonds, or any portion thereof, by any person other than a governmental unit (as such
23 term is used in Section 141 of the Code), in such manner or to such extent as would result in
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1 the loss of exclusion of interest on the Series 2008B Bonds from gross income for federal
2 income tax purposes.

3 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if
4 any such action or failure to take action would cause the Series 2008B Bonds to be “private
5 activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof,
6 shall not make any use of the proceeds of the Series 2008B Bonds or any of the property
7 financed or refinanced with proceeds of the Series 2008B Bonds, or any portion thereof, or
8 any other funds of the City, that would cause the Series 2008B Bonds to be “private activity
9 bonds” within the meaning of Section 141 of the Code. To that end, so long as any Series
10 2008B Bonds are outstanding, the City, with respect to such proceeds and property and such
11 other funds, will comply with applicable requirements of the Code and all regulations of the
12 United States Department of the Treasury issued thereunder. The City shall establish
13 reasonable procedures necessary to ensure continued compliance with Section 141 of the
14 Code and the continued qualification of the Series 2008B Bonds as “governmental bonds.”

15 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any
16 proceeds of any Series 2008B Bonds, or of any property financed or refinanced thereby, or
17 other funds of the City, or take or omit to take any action, that would cause the Series 2008B
18 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end,
19 the City shall comply with all requirements of Section 148 of the Code and all regulations of
20 the United States Department of the Treasury issued thereunder to the extent such
21 requirements are, at the time, in effect and applicable to the Series 2008B Bonds.

22 (d) Federal Guarantee. The City shall not make any use of the proceeds of the
23 Series 2008B Bonds or any other funds of the City, or take or omit to take any other action,
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1 that would cause the Series 2008B Bonds to be “federally guaranteed” within the meaning of
2 Section 149(b) of the Code.

3 (e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants
4 of this Section 18, the City covenants that it will comply with the provisions of the Tax
5 Certificate to be executed by the City, dated the date of issuance of the Series 2008B Bonds,
6 as it may be amended from time to time (herein called the “Tax Certificate”). This covenant
7 shall survive payment in full or defeasance of the Series 2008B Bonds.

8 Section 19. Continuing Disclosure Certificate. The form of Continuing Disclosure
9 Certificate issued by the City to permit the original purchaser of the Series 2008B Bonds to
10 comply with Securities and Exchange Commission Rule 15c2-12 promulgated under the
11 Securities Exchange Act of 1934, as amended, submitted to the Board is hereby approved
12 and adopted as the Continuing Disclosure Certificate, with such additions, corrections and
13 revisions as may be determined to be necessary or desirable made in accordance with
14 Section 20 hereof. The Controller is hereby authorized and directed to execute the Continuing
15 Disclosure Certificate on behalf of the City and deliver the Continuing Disclosure Certificate to
16 the original purchaser of the Series 2008B Bonds.

17 Section 20. Modification to Documents. Any City official authorized by this Resolution
18 to execute any document is hereby further authorized, in consultation with the City Attorney of
19 the City (the “City Attorney”), to approve and make such changes, additions, amendments or
20 modifications to the document or documents such official is authorized to execute as may be
21 necessary or advisable (provided that such changes, additions, amendments or modifications
22 shall not authorize an aggregate principal amount of Series 2008B Bonds in excess of
23 \$45,000,000 or conflict with the provisions of Section 4 hereof). The approval of any change,
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1 addition, amendment or modification to any of the aforementioned documents shall be
2 evidenced conclusively by the execution and delivery of the document in question.

3 Section 21. Ratification. All actions heretofore taken by officials, employees and
4 agents of the City with respect to the sale and issuance of the Series 2008B Bonds are
5 hereby approved, confirmed and ratified.

6 Section 22. Relationship to Authorizing Resolution. In the event of any conflict
7 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
8 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
9 Resolution, the City is not obligated to transfer money from the General Fund of the City to the
10 Bond Account to pay for principal and/or interest on the Series 2008B Bonds.

11 Section 23. Reimbursement. The City hereby declares its official intent to reimburse
12 prior expenditures of the City incurred prior to the issuance and sale of the Series 2008B
13 Bonds in connection with the Project or portions thereof to be financed by the Series 2008B
14 Bonds.

15 Section 24. Accountability Reports. The Series 2008B Bonds are subject to
16 accountability requirements under the City's Administrative Code and the Bond Ordinance.
17 Accountability report(s) with respect to the Series 2008B Bonds shall be submitted at the
18 time(s) and in the manner required by the Administrative Code and the Bond Ordinance.

19 Section 25. General Authority. The Clerk of the Board of Supervisors, the Mayor, the
20 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each
21 hereby authorized and directed in the name and on behalf of the City to take any and all steps
22 and to issue, deliver or enter into any and all certificates, requisitions, agreements, notices,
23 consents, and other documents as may be necessary to give effect to the provisions of this
24 resolution, including but not limited to letters of representations to any depository or
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1 depositories which they or any of them might deem necessary or appropriate in order to
2 consummate the lawful issuance, sale and delivery of the Series 2008B Bonds.

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APPROVED AS TO FORM:

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DENNIS J. HERRERA
6 City Attorney

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By: _____
Mark Blake
9 Deputy City Attorney

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