

1 [Branch Library General Obligation Bond Sale]
2

3 **Resolution Authorizing and Directing the Sale of Not to Exceed \$17,665,000 City**
4 **and County of San Francisco General Obligation Bonds (Branch Library Facilities**
5 **Improvement Bonds, 2000), Series 2001E; Prescribing the Form and Terms of Said**
6 **Bonds; Authorizing the Execution, Authentication and Registration of Said Bonds;**
7 **Providing for the Appointment of Depositories and Other Agents for Said Bonds;**
8 **Providing for the Establishment of Accounts Related thereto; Approving the Forms of**
9 **Official Notice of Sale and Notice of Intention to Sell Bonds; Directing the Publication of**
10 **the Notice of Intention to Sell Bonds; Approving the Form and Execution of the Official**
11 **Statement Relating thereto; Approving the Form of the Continuing Disclosure Certificate;**
12 **Approving Modifications to Documents; Ratifying Certain Actions Previously taken; and**
13 **Granting General Authority to City Officials to take Necessary Actions in Connection with**
14 **the Authorization, Issuance, Sale and Delivery of Said Bonds.**

15
16 WHEREAS, By Resolution No. 390-01, (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 May 14, 2001, the City authorized the issuance of its Branch Library Facilities
19 Improvement Bonds, 2000; 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 (Branch Library Facilities
22 Improvement Bonds, 2000), Series 2001E (the "Bonds"); and,

23 WHEREAS, The Bonds are being issued pursuant to the Authorizing Resolution and Title
24 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government Code (the "Act"), the
25 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 for such
4 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 to 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 event
12 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; now, therefore, be it

15 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
16 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 incur
22 indebtedness in the manner and form provided in this Resolution.

23 Section 3. Documents. The documents presented to this Board of Supervisors and on
24 file with the Clerk of the Board of Supervisors, or his or her designee (the "Clerk of the Board of
25 Supervisors") are contained in File No. 010724.

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1 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes the
2 issuance and sale of not to exceed \$17,665,000 aggregate principal amount of bonds to be
3 designated as "City and County of San Francisco General Obligation Bonds (Branch Library
4 Facilities Improvement Bonds, 2000), Series 2001E" for the purposes set forth in the Authorizing
5 Resolution. The Director of Public Finance of the City or his or her designee (the "Director of
6 Public Finance") is hereby authorized to determine the sale date, the maturity dates and the
7 redemption dates of the Bonds, subject to the following terms and conditions: (i) No Bond shall
8 bear interest at a rate in excess of 12% and (ii) the Bonds shall not have a final maturity date
9 after June 15, 2026. The Director of Public Finance is further authorized to give the Bonds such
10 additional or other series designation as may be necessary or appropriate to distinguish such
11 series from every other series and from other bonds issued by the City.

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

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

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

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

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

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

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

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

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1 any such transfer of any tax or other governmental charge required to be paid with respect to
2 such transfer or exchange.

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

7 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall each
8 be dated the date of delivery or such other date (the "Dated Date") as specified in the award to
9 be made pursuant to Section 13 hereof (the "Bond Award"). The Bonds shall bear interest from
10 the date thereof until paid (at rates to be determined upon sale of the Bonds) calculated on the
11 basis of a 360-day year comprised of twelve 30-day months, payable on December 15, 2001,
12 and semiannually thereafter on June 15 and December 15 of each year (or such other dates as
13 may be designated in the Bond Award).

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

21 Each Bond shall bear interest from the interest payment date next preceding the date of
22 authentication thereof unless it is authenticated as of a day during the period from the Record
23 Date next preceding any interest payment date to the interest payment date, inclusive, in which
24 event it shall bear interest from such interest payment date, or unless it is authenticated on or
25 before November 30, 2001 (or such other date as may be designated in the Bond Award), in

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

16 The Bonds maturing on or before June 15, 2009 (or such other date as may be
17 designated in the Bond Award) shall not be subject to optional redemption prior to maturity. The
18 Bonds maturing on or after June 15, 2010 (or such other date as may be designated in the Bond
19 Award) are subject to optional redemption prior to their respective stated maturities, at the option
20 of the City, from any source of available funds, as a whole or in part on any date (with the
21 maturities to be redeemed to be determined by the City and by lot within a maturity) on or after
22 June 15, 2009 (or such other date as may be designated in the Bond Award), at redemption
23 prices equal to 102% of the principal amount redeemed in the first year the Bonds are subject to
24 optional redemption (with such redemption price declining to 100% at the rate of 1% annually),

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1 together with accrued interest to the date of redemption, or such other redemption prices as may
2 be designated in the Bond Award.

3 The Bonds shall be subject to mandatory redemption at par, by lot, in any year for which
4 the successful bidder therefor has designated that the principal amount payable with respect to
5 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice of
6 Sale (as more fully described in Section 13 hereof). Any Bonds subject to mandatory
7 redemption shall be designated as such in the Bond Award. The principal and interest on Series
8 2001E Bonds subject to mandatory redemption shall be paid from the Series 2001E Bond
9 Account pursuant to Section 9 hereof. In lieu of any such mandatory redemption, at any time
10 prior to the selection of the Bonds for redemption, the City may apply such amounts on deposit
11 in the Series 2001E Bond Account (as defined in Section 9 hereof) to make such payment to the
12 purchase of Bonds subject to such redemption at public or private sale, as and when and at such
13 prices not in excess of the principal amount thereof (including brokerage and other charges but
14 excluding accrued interest), as the City may determine.

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

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

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

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

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

18 At the time the City Treasurer or the Controller or his or her designee (the "Controller")
19 determines to optionally call and redeem any of the Bonds, the City Treasurer or his or her agent
20 shall establish a redemption account to be described or known as the "General Obligation Bonds
21 (Branch Library Facilities Improvement Bonds, 2000), Series 2001E Redemption Account" (the
22 "Series 2001E Redemption Account") and prior to or on the redemption date there must be set
23 aside in said Series 2001E Redemption Account moneys available for the purpose and sufficient
24 to redeem as provided in this Resolution, the Bonds designated in said notice of redemption.
25 Said moneys must be set aside in the Series 2001E Redemption Account solely for the purpose

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1 of, and shall be applied on or after the redemption date to, payment of the redemption price of
2 the Bonds to be redeemed upon presentation and surrender of such Bonds. Any interest due on
3 or prior to the redemption date may be paid from the Series 2001E Bond Account as provided in
4 Section 9 hereof or from the Series 2001E Redemption Account. Moneys held from time to time
5 in the Series 2001E Redemption Account may be invested in any investment of the City in which
6 moneys in the General Fund of the City are invested or pursuant to any resolution authorizing
7 the issuance of refunding bonds or escrow agreement relating thereto. If, after all of the Bonds
8 have been redeemed and canceled or paid and canceled, there are moneys remaining in said
9 Series 2001E Redemption Account, said moneys shall be transferred to the General Fund of the
10 City; provided, however, that if said moneys are part of the proceeds of refunding bonds, said
11 moneys shall be transferred pursuant to the resolution authorizing such refunding bonds.

12 When notice of optional redemption has been given, substantially as provided herein, and
13 when the amount necessary for the redemption of the Bonds called for redemption (principal and
14 premium, if any) is set aside for that purpose in said Series 2001E Redemption Account, as
15 provided herein, the Bonds designated for redemption shall become due and payable on the
16 date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the
17 place specified in the notice of redemption, such Bonds shall be redeemed and paid at said
18 redemption price out of said Series 2001E Redemption Account. No interest will accrue on such
19 Bonds called for redemption after the redemption date and the registered owners of such Bonds
20 shall look for payment of such Bonds only to said Series 2001E Redemption Account. All Bonds
21 redeemed shall be canceled forthwith by the City Treasurer and shall not be reissued.

22 The City may rescind any optional redemption and notice thereof for any reason on any
23 date prior to the date fixed for redemption by causing written notice of the rescission to be given
24 to the owners of all Bonds so called for redemption. Any optional redemption and notice thereof
25 shall be rescinded if for any reason on the date fixed for redemption funds are not available in

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1 the Series 2001E Redemption Account in an amount sufficient to pay in full on said date the
2 principal of, interest, and any premium due on the Bonds called for redemption. Notice of
3 rescission of redemption shall be given in the same manner notice of redemption was originally
4 given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a
5 condition precedent to rescission, and failure to receive such notice or any defect in such notice
6 shall not affect the validity of the rescission.

7 Section 9. Series 2001E Bond Account. There is hereby established with the City
8 Treasurer a special subaccount in the General Obligation Bonds (Branch Library Facilities
9 Improvement Bonds, 2000) Bond Account (the "Bond Account") created pursuant to the
10 Authorizing Resolution, to be designated the "General Obligation Bonds (Branch Library
11 Facilities Improvement Bonds, 2000), Series 2001E Bond Account (the "Series 2001E Bond
12 Account"), to be held separate and apart from all other accounts of the City. All interest
13 earned on amounts on deposit in the Series 2001E Bond Account shall be retained in the
14 Series 2001E Bond Account.

15 On or prior to the date on which any payment of principal or interest on the Bonds is
16 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer
17 shall allocate to and deposit in the Series 2001E Bond Account, from amounts held in the
18 Bond Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when
19 added to any available moneys contained in the Series 2001E Bond Account, is sufficient to
20 pay principal and interest on the Bonds on such date.

21 On or prior to the date on which any Bonds are to be redeemed at the option of the City
22 pursuant to this Resolution, the City Treasurer may allocate to and deposit in the Series
23 2001E Redemption Account, from amounts held in the Bond Account pursuant to Section 9 of
24 the Authorizing Resolution, an amount which, when added to any available moneys contained
25 in the Series 2001E Bond Account, is sufficient to pay principal and interest and any premium

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1 on the Bonds on such date. The City Treasurer may make such other provision for the
2 payment of principal and interest and any redemption premium on the Bonds to be redeemed
3 as is necessary or convenient to permit the optional redemption of the Bonds.

4 Amounts in the Series 2001E Bond Account may be invested in any investment of the
5 City in which moneys in the General Fund of the City are invested. The City Treasurer may
6 commingle any of the moneys held in the Series 2001E Bond Account with other City moneys
7 or deposit amounts credited to the Series 2001E Bond Account into a separate fund or funds
8 for investment purposes only; *provided, however*, that all of the moneys held in the Series
9 2001E Bond Account hereunder shall be accounted for separately notwithstanding any such
10 commingling or separate deposit by the City Treasurer. Any bid premium and accrued
11 interest received upon the sale of the Bonds shall be deposited into the Bond Account.

12 Section 10. Series 2001E Project Account. There is hereby established with the City
13 Treasurer a special subaccount in the General Obligation Bonds (Branch Library Facilities
14 Improvement Bonds, 2000) Project Account (the "Project Account") created pursuant to the
15 Authorizing Resolution, to be designated the "General Obligation Bonds (Branch Library
16 Facilities Improvement Bonds, 2000), Series 2001E Project Account (the "Series 2001E
17 Project Account"), to be held separate and apart from all other accounts of the City. All
18 interest earned on amounts on deposit in the Series 2001E Project Account shall be retained
19 in the Series 2001E Project Account. Amounts in the Series 2001E Project Account shall be
20 expended for the acquisition, construction and reconstruction of the Project in accordance
21 with the provisions of the Authorizing Resolution.

22 Amounts in the Series 2001E Project Account may be invested in any investment of the
23 City in which moneys in the General Fund of the City are invested. The City Treasurer may
24 commingle any of the moneys held in the Series 2001E Project Account with other City
25 moneys or deposit amounts credited to the Series 2001E Project Account into a separate fund

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1 or funds for investment purposes only; *provided, however*, that all of the moneys held in the
2 Series 2001E Project Account hereunder shall be accounted for separately notwithstanding
3 any such commingling or separate deposit by the City Treasurer.

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

10 Section 11. 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 procedures set forth in Section 8 hereof relating to payments and redemption
13 notices to owners of the Bonds may be modified to comply with the policies and procedures of
14 such depository. Neither the City nor the City Treasurer will have any responsibility or obligation
15 to any purchaser of a beneficial ownership interest in any Bonds or to any participants in such a
16 depository with respect to (i) the accuracy of any records maintained by such securities
17 depository or any participant therein; (ii) any notice that is permitted or required to be given to the
18 owners of the Bonds under this Resolution; (iii) the selection by such securities depository or any
19 participant therein of any person to receive payment in the event of a partial redemption of the
20 Bonds; (iv) the payment by such securities depository or any participant therein of any amount
21 with respect to the principal or redemption premium, if any, or interest due with respect to the
22 Bonds; (v) any consent given or other action taken by such securities depository as the owner of
23 the 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 12. 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 a
11 portion thereof, and all unpaid interest thereon to maturity, except that in the case of Bonds
12 which are to be redeemed prior to maturity and in respect of which notice of such redemption
13 shall have been given as provided in Section 8 hereof or an irrevocable election to give such
14 notice shall have been made by the City, the amount to be deposited shall be the principal
15 amount thereof, all unpaid interest thereon to the redemption date, and any premium due on
16 such redemption date; or

17 (b) Defeasance Securities (as herein defined) not subject to call, except as
18 provided below in the definition thereof, maturing and paying interest at such times and in such
19 amounts, together with cash, if required, as will, without reinvestment, as certified by an
20 independent certified public accountant, be fully sufficient to pay the principal and all unpaid
21 interest to maturity, or to the redemption date, as the case may be, and any premium due on the
22 Bonds to be paid or redeemed, as such principal and interest come due; provided, that, in the
23 case of the Bonds which are to be redeemed prior to maturity, notice of such redemption shall be
24 given as provided in Section 8 hereof or an irrevocable election to give such notice shall have
25 been made by the City; then, all obligations of the City with respect to said outstanding Bonds

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1 shall cease and terminate, except only the obligation of the City to pay or cause to be paid from
2 the funds deposited pursuant to paragraphs (a) or (b) of this Section 12, to the owners of said
3 Bonds all sums due with respect thereto; provided, that the City shall have received an opinion of
4 nationally recognized bond counsel, that provision for the payment of said Bonds has been
5 made in accordance with this Section 12.

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

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

21 For purposes of this Section 12, "United States Obligations" shall mean (i) direct and
22 general obligations of the United States of America, or obligations that are unconditionally
23 guaranteed as to principal and interest by the United States of America, including without
24 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds which
25 have been stripped by request to the Federal Reserve Bank of New York in book-entry form or

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1 (ii) any security issued by any agency or instrumentality of the United States of America which is
2 selected by the Director of Public Finance that results in the escrow fund being rated "AAA" by
3 Standard & Poor's and "Aaa" by Moody's at the time of the initial deposit to the escrow fund and
4 upon any substitution or subsequent deposit to the escrow fund.

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

9 The Director of Public Finance is hereby authorized and directed to determine a date for
10 the sale of the Bonds. Proposals shall be received on the sale date designated by the Director of
11 Public Finance. The Director of Public Finance is hereby authorized and directed to cause to be
12 mailed or otherwise circulated to prospective bidders for the Bonds copies of said Official Notice
13 of Sale, subject to such corrections, revisions or additions as may be acceptable to the Director
14 of Public Finance.

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

21 Section 14. Publication of Notice of Intention to Sell Bonds. The form of proposed Notice
22 of Intention to Sell Bonds is hereby approved and adopted as the Notice of Intention to Sell
23 Bonds, and the Clerk of the Board of Supervisors is hereby authorized and directed to cause
24 said Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions as may
25 be made in accordance with Section 19 hereof, to be published once at least fifteen (15) days

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1 before the date of sale in The Bond Buyer, or another financial publication generally circulated
2 throughout the State of California.

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

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

18 Section 17. Tax Covenants. (a) General. The City hereby covenants with the holders
19 of the Bonds that, notwithstanding any other provisions of this Resolution, it shall not take any
20 action, or fail to take any action, if any such action or failure to take action would adversely
21 affect the exclusion from gross income of interest on the Bonds under Section 103 of the
22 Internal Revenue Code of 1986 (the "Code"), and the regulations issued thereunder, as the
23 same may be amended from time to time, and any successor provisions of law. Reference to
24 a particular section of the Code shall be deemed to be a reference to any successor to any
25 such section. The City shall not, directly or indirectly, use or permit the use of proceeds of the

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1 Bonds or any of the property financed or refinanced with proceeds of the Bonds, or any
2 portion thereof, by any person other than a governmental unit (as such term is used in Section
3 141 of the Code), in such manner or to such extent as would result in the loss of exclusion
4 from gross income for federal income tax purposes of interest on the Bonds.

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

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

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

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

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

17 Section 19. Modification to Documents. Any City official authorized by this Resolution to
18 execute any document is hereby further authorized, in consultation with the City Attorney or his
19 or her designee (the "City Attorney"), to approve and make such changes, additions,
20 amendments or modifications to the document or documents such official is authorized to
21 execute as may be necessary or advisable (provided that such changes, additions, amendments
22 or modifications shall not authorize an aggregate principal amount of Series 2001E Bonds in
23 excess of \$17,665,000 or conflict with the provisions of Section 4 hereof). The approval of any
24 change, addition, amendment or modification to any of the aforementioned documents shall be
25 evidenced conclusively by the execution and delivery of the document in question.

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

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

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

9 Section 23. Accountability Reports. The Series 2001E Bonds are subject to Article VIII of
10 Chapter 2 of the City's Administrative Code. Accountability report(s) with respect to the Series
11 2001E Bonds shall be submitted at the time(s) and in the manner required by said Article VIII.

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

19
20 APPROVED AS TO FORM:

21 LOUISE H. RENNE
22 City Attorney

23 By: 

24 DAVE A. SANCHEZ
25 Deputy City Attorney

MAYOR WILLIE L. BROWN, JR.
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 010724

Date Passed:

Resolution authorizing and directing the sale of not to exceed \$17,665,000 City and County of San Francisco General Obligation Bonds (Branch Library Facilities Improvement Bonds, 2000) Series 2001E; prescribing the form and terms of said Bonds, authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form and execution of the official statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds.

May 14, 2001 Board of Supervisors — ADOPTED

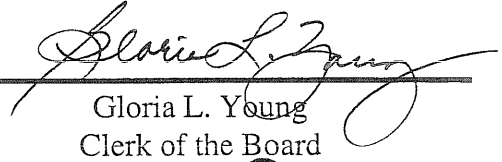
Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,
Newsom, Peskin, Sandoval, Yee

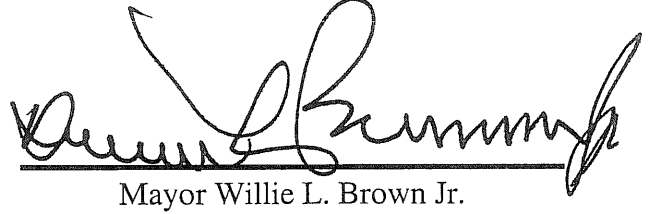
File No. 010724

I hereby certify that the foregoing Resolution was ADOPTED on May 14, 2001 by the Board of Supervisors of the City and County of San Francisco.

MAY 25 2001

Date Approved


Gloria L. Young
Clerk of the Board


Mayor Willie L. Brown Jr.