[2000 Affordable Housing Bond Sale]

AUTHORIZING AND DIRECTING THE SALE OF NOT TO EXCEED $20,000,000 CITY AND COUNTY OF SAN FRANCISCO GENERAL OBLIGATION BONDS (AFFORDABLE HOUSING) SERIES 2000D; PRESCRIBING THE FORM AND TERMS OF SAID BONDS; AUTHORIZING THE EXECUTION, AUTHENTICATION AND REGISTRATION OF SAID BONDS; PROVIDING FOR THE APPOINTMENT OF DEPOSITORYs AND OTHER AGENTS FOR SAID BONDS; PROVIDING FOR THE ESTABLISHMENT OF ACCOUNTS RELATED THERETO; APPROVING THE FORMS OF OFFICIAL NOTICE OF SALE OF BONDS 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.

WHEREAS, By Resolution No. 570-96 adopted by the Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco (the "City") on June 17, 1996, and signed by the Mayor of the City (the "Mayor") on June 19, 1996, it was determined and declared that public interest and necessity demand the financing of the development of housing affordable to low-income households and downpayment assistance to low and moderate income first-time homebuyers (the "Program") by the City; and,

WHEREAS, By Ordinance No. 296-96, finally passed by the Board of Supervisors on July 22, 1996 and signed by the Mayor on July 22, 1996, the Board of Supervisors duly called

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a special election to be held on November 5, 1996, for the purpose of submitting to the
electors of the City a proposition to incur bonded indebtedness for the Program; and,

WHEREAS, A special election was held in the City on November 5, 1996, for the
purpose of submitting to the qualified voters of the City the following proposition ("Proposition
A") for incurring bonded indebtedness of the City in the aggregate principal amount of
$100,000,000 to finance the Program:

AFFORDABLE HOUSING BONDS, to incur $100,000,000 of bonded indebtedness for
the financing of (1) the development of housing affordable to low-income households and
(2) down payment assistance to low- and moderate-income first-time homebuyers, and all
other costs necessary or convenient for the foregoing purposes.

WHEREAS, The Registrar of Voters of the City duly and regularly canvassed the return
of said election and, as the result of such canvass, certified to the Board of Supervisors that
more than two-thirds of the votes cast on said proposition favored the incurring of such
bonded indebtedness; and,

WHEREAS, By Ordinance No. 449-97 adopted on November 24, 1997 and signed by
the Mayor of the City on December 5, 1997, the Board of Supervisors authorized the issuance
of its City and County of San Francisco General Obligation Bonds (Affordable Housing) (the
"Ordinance"); and,

WHEREAS, On March 4, 1998 the City issued $20,000,000 of City and County of
San Francisco Taxable General Obligation Bonds (Affordable Housing) Series 1998A (the
"Series 1998A Bonds") pursuant to the Ordinance; and,

WHEREAS, On June 10, 1999 the City issued $20,000,000 of City and County of San
Francisco Taxable General Obligation Bonds (Affordable Housing) Series 1999A (the "Series
1999A Bonds") pursuant to the Ordinance; and,

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WHEREAS, The Board of Supervisors has determined, and does hereby declare that it
is necessary and desirable to issue a portion of said general obligation bonds in a third series
designated as City and County of San Francisco General Obligation Bonds (Affordable
Housing) Series 2000D (the "Bonds"); and,

WHEREAS, The Bonds are being issued pursuant to the Ordinance, the Charter of the
City and a duly held election and will be payable from proceeds of the annual tax levy
provided for in the Ordinance; and,

WHEREAS, The issuance of the Bonds does not cause the aggregate amount of
general obligation bond indebtedness of the City to exceed three percent (3%) of the
assessed value of all taxable real and personal property located within the City and does not
violate any applicable debt limitation contained in the City's Charter and Administrative Code,
including Section 2.60 thereof or any similar provision; and,

WHEREAS, By Resolution No. 1047-97 adopted by the Board of Supervisors on
November 24, 1997, and signed by the Mayor on December 5, 1997, the Board of
Supervisors approved regulations for the Program (the "Regulations") in accordance with
Section 81.6 of the City's Administrative Code; and

WHEREAS, The Board of Supervisors desires that the proceeds of the Bonds, as
allocated herein, be applied in accordance with the Ordinance and the Regulations; and

WHEREAS, The City expects to pay certain expenditures in connection with the
development of two senior rental housing projects (a 93-unit project at 301 Ellis Street and a
91-unit project including a senior center and a child care facility at 500 Raymond Street)
incurred prior to the issuance and sale of the Bonds, and the City intends to reimburse itself
and to pay third parties for such prior expenditures from the proceeds of the Bonds; and,

WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
Internal Revenue Code of 1986 (the "Treasury Regulations") requires the City to declare its

reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent
borrowing; and,

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

WHEREAS, Certain of the projects to be financed by the Bonds consist of those
projects more particularly described in the Notice (defined below) (the "Project"); and,

WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are
approved in accordance with Section 147(f) of the Code; and,

WHEREAS, The Project is located wholly within the City; and,

WHEREAS, On April 22, 2000, the City caused a notice (the "Notice") stating that a
public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office
of Public Finance on May 9, 2000, to appear in The Independent, which is a newspaper of
general circulation in the City; and

WHEREAS, The Mayor's Office of Public Finance held the public hearing described
above on May 9, 2000, and an opportunity was provided for persons to comment on the
issuance of the Bonds and the Project; and,

WHEREAS, This Board is the elected legislative body of the City and is the applicable
elected representative required to approve the issuance of the Bonds within the meaning of
Section 147(f) of the Code; and,

WHEREAS, In order to accomplish the purposes for which the Series 1998A Bonds and
the Series 1999A Bonds were issued, it is necessary to transfer certain proceeds of those bonds

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from the Development Account to the Downpayment Assistance Loan Program Account; and,

WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds
within the meaning of Section 864 of the California Code of Civil Procedure; now, therefore, be it
RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
follows:

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

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

Section 3. Documents. The documents presented to this Board of Supervisors and on
file with the Clerk of the Board of Supervisors are contained in File No. 000786.

Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes
the issuance and sale of a third series of bonds in an aggregate principal amount not to
exceed $20,000,000 as authorized by and for the purposes set forth in Proposition A. It is the
purpose and intent of this Board that this Resolution constitute approval of the Bonds by the
applicable elected representative of the governmental unit having jurisdiction over the area in
which the Project is located, in accordance with Section 147(f) of the Code.

Said series of such bonds shall be designated as "City and County of San Francisco
General Obligation Bonds (Affordable Housing) Series 2000D" or such other series
designation as shall be specified by the Director of Public Finance of the City (the "Director of
Public Finance"). Sale of the Bonds may be aggregated with other general obligation bonds
being issued by the City as authorized from time to time by the Board of Supervisors.

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Section 5. Execution, Authentication and Registration of Bonds. The Bonds shall be in
fully registered form without coupons in denominations of $5,000 or any integral multiple
thereof. The officers of the City are hereby directed to cause the Bonds to be prepared in
sufficient quantity for delivery to the purchaser thereof and the Director of Public Finance is
hereby directed to cause the blanks therein to be completed in accordance with the
Resolution. The Mayor and the Treasurer of the City (the "Treasurer") are each hereby
authorized to approve and to execute the Bonds; and the Clerk and the Deputy Clerk of the
Board of Supervisors are each hereby authorized to countersign the Bonds.

Except for the countersignature of a Deputy Clerk of the Board of Supervisors which
shall be a manual signature, all signatures referred to hereinabove may be facsimile or
manual. The Treasurer is hereby authorized to authenticate the Bonds, by manual signature
and the Clerk of the Board of Supervisors is authorized to cause the official seal of the City or
a facsimile thereof to be reproduced or impressed on the Bonds and to deliver the Bonds,
when so executed and authenticated, to the purchaser in exchange for the purchase price
thereof.

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

In case any of such officers whose signature or countersignature appears on the Bonds
shall cease to be such officer before the delivery of such Bonds to the purchaser, such
signature or countersignature shall nevertheless be valid and sufficient for all purposes as if
such officer had remained in office until the delivery of the Bonds.

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Only Bonds that bear a certificate of authentication and registration in the form given in Exhibit A, executed by the Treasurer, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Treasurer shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

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

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

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

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

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

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

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

Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall each be dated the date of issuance of the Bonds or such other date (the "Dated Date") as specified in the award to be made by motion of the Finance Committee of the Board of Supervisors pursuant to Section 16 hereof (the "Finance Committee Award"). The Bonds shall bear interest from the date thereof until paid at rates to be determined upon sale of the Bonds, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable on December 15, 2000, and semiannually thereafter on June 15 and December 15 (or such other dates as may be designated in the Finance Committee Award) of each year and shall either mature or be subject to mandatory redemption (as hereinafter provided) on June 15 (or such other date as may be designated in the Finance Committee Award) of the years, and in the amounts, as set forth in the Official Statement relating to the Bonds, provided that no Bonds shall mature later than June 15, 2025.

The costs incurred in connection with the issuance of the Bonds (excluding underwriters' discount and any cost of credit enhancement) shall not exceed two percent (2%) of the principal amount of the Bonds and shall be paid as specified in Section 10 hereof.

The Bonds shall be issued in book-entry form and initially shall be registered in the name of Cede & Co. as nominee of the Depository Trust Company. For so long as Cede & Co. or its registered assignee is the registered Owner of all of the Bonds, payment shall be made by wire transfer of immediately available funds to Cede & Co. The principal of the

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

Each Bond shall bear interest from the interest payment date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date next preceding any interest payment date to the interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless it is authenticated on or before the last day of the month preceding the initial interest payment date, in which event it shall bear interest from the Dated Date of the Bonds; provided, however, that if, at the time of authentication of any Bond, interest is in default on the Bonds, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Bonds or from the Dated Date of the Bonds if the first interest payment is not made. Payment of the interest on any Bond shall be made by check mailed to such Owner at such Owner's address as it appears on the registration books as of the Record Date; provided, however, if any interest payment is due on a day that banks in California and New York are closed for business, then such payment shall be made on the next succeeding day that banks in both California and New York are open for business (a "Business Day"); and provided, further, that the registered Owner of an aggregate principal amount of at least $1,000,000 of the Bonds may submit a written request to the Treasurer on or before a Record Date preceding an interest payment date for payment of interest by wire transfer to a commercial bank located within the United States.

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The Bonds shall be subject to mandatory redemption, by lot, in any year for which the successful bidder therefor has designated that the principal amount payable with respect to that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice of Sale approved by Section 14 hereof. Any such mandatory redemptions shall be designated as such in the Finance Committee Award. In lieu of any such mandatory redemption, at any time prior to the selection of the Bonds for redemption, the City may apply such amounts on deposit in the Debt Service Account (as defined in the Ordinance) to make such payment to the purchase of Bonds subject to such redemption at public or private sale, as and when and at such prices not in excess of the principal amount thereof (including brokerage and other charges, but excluding accrued interest), as the City may determine.

As used herein, “redemption date” shall mean date on which any Bonds called for early redemption are to be paid consistent with the Notice of Redemption.

The Bonds maturing on or before June 15, 2008 (or such other dates as may be designated in the Finance Committee Award) shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after June 15, 2009 (or such other dates as may be designated in the Finance Committee Award) are subject to optional redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities to be redeemed to be determined by the City and by lot within a maturity) on or after June 15, 2008 (or such other dates as may be designated in the Finance Committee Award), at redemption prices equal to 102% of the principal amount redeemed in the first year the Bonds are subject to optional redemption (with such redemption price declining to 100% at the rate of one percent (1%) annually), together with accrued interest to the date of redemption, or at such other redemption prices as may be designated in the Finance Committee Award.

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Prior to the time the Treasurer or the Controller of the City (the "Controller") determines to optionally call and redeem any of the Bonds, the Treasurer shall establish a Redemption Account to be described as the "General Obligation Bonds (Affordable Housing) Series 2000D Redemption Account" (the "Series 2000D Redemption Account") and prior to or on the redemption date there must be set aside in said Series 2000D Redemption Account moneys available for the purpose and sufficient to redeem, as provided in this Resolution, the Bonds designated in said notice of redemption. Said moneys must be set aside in said account solely for the purpose of, and shall only be applied on or after the redemption date to, payment of the redemption price of the Bonds to be redeemed upon presentation and surrender of such Bonds. Any interest due on or prior to the redemption date may be paid from the Debt Service Account. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the Series 2000D Redemption Account, said moneys shall be transferred to the General Fund of the City as permitted by law; provided, however, that if said moneys are part of the proceeds of refunding bonds, said moneys shall be transferred to the fund or account created for the payment of principal and interest on such refunding bonds.

When notice of optional redemption has been given as provided below, and when the amount necessary for the redemption of the Bonds called for redemption (principal and premium, if any) is set aside for that purpose in said Series 2000D Redemption Account, as provided herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the stated redemption price out of said Series 2000D Redemption Account. No interest will accrue on such Bonds called for redemption after the redemption date and the registered Owners of such Bonds shall look for payment of such Bonds only to said Series 2000D

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Redemption Account. All Bonds redeemed shall be cancelled forthwith by the Treasurer and shall not be reissued.

The City may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of all Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption funds are not available in the Series 20000 Redemption Account in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

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

The actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in such

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notice, shall not affect the validity of the proceedings for the redemption of such Bonds or the
cessation of accrual of interest on the redemption date.

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

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

Section 9. Housing Account. All of the proceeds of the sale of the Bonds, excluding
any premium or accrued interest received thereon, shall be deposited by the Treasurer to the
credit of the Affordable Housing Bond Housing Account (the "Housing Account") created by
the Controller pursuant to Section 81.3 of the City's Administrative Code. Pursuant to Section
7 of the Ordinance, a Tax-Exempt Subaccount shall be created within the Development
Account (the "Tax-Exempt Subaccount"). Amounts deposited to the credit of the Housing
Account shall be disbursed as follows: (i) an amount to be specified in the Finance
Committee Award shall be deposited the credit of the Costs of Issuance Account created
pursuant to Section 10 hereof and (ii) all of such deposit remaining after the disbursement
specified in (i) to the credit of the Tax-Exempt Subaccount. Amounts currently on deposit in
the Development Account in an amount to be specified in the Finance Committee Award, from
proceeds of the sale of the Series 1998A Bonds and/or the Series 1999A Bonds, shall be

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transferred to the Downpayment Assistance Loan Program Account in accordance with Section 7(e) of the Ordinance. Amounts on deposit in the Housing Account shall be applied exclusively to the objects and purposes specified in the Ordinance, the Regulations adopted pursuant to the Ordinance, and Section 10 hereof. Any bid premium and accrued interest received upon sale of the Bonds shall be deposited into the Debt Service Account pursuant to Section 8 of the Ordinance.

Section 10. Payment of Costs of Issuance. In accordance with Section 9 hereof, upon the sale of the Bonds, certain proceeds of the Bonds (excluding any bid premium and accrued interest) shall be deposited in the Costs of Issuance Account within the Housing Account.

The Treasurer is hereby authorized to pay or cause to be paid on behalf of the City, the costs of issuance associated with the Bonds. Amounts in the Costs of Issuance Account may be applied to the payment of any costs of issuance of the Bonds, including, without limitation, bond and financial printing expenses, mailing and publication expenses, rating agency fees, and the fees and expenses of paying agents, registrars, financial consultants and bond counsel. Six months after the date of issuance of the Bonds, any funds remaining in the Costs of Issuance Account shall be transferred to the Tax-Exempt Subaccount. Any costs of issuance paid after this date shall be paid from the Housing Account but shall not exceed the amount transferred from the Costs of Issuance Account pursuant to the preceding sentence.

Section 11. Appointment of Depositories and Other Agents. The Treasurer is hereby authorized and directed to appoint from time to time one or more depositories as he or she may deem desirable. The Depository Trust Company is hereby appointed initial depository for the Bonds. The City will not have any responsibility or obligation to any purchaser of a beneficial ownership interest in any Bonds or to any participants in such a depository with respect to (i) the accuracy of any records maintained by such securities depository or any participant therein; (ii) any notice that is permitted or required to be given to the Owners of the

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Bonds under this Resolution; (iii) the selection by such securities depository or any participant therein of any person to receive payment in the event of a partial redemption of the Bonds; (iv) the payment by such securities depository or any participant therein of any amount with respect to the principal or redemption premium, if any, or interest due with respect to the Bonds; (v) any consent given or other action taken by such securities depository as the Owner of the Bonds; or (vi) any other matter.

The Treasurer is hereby further authorized to appoint from time to time one or more agents as he or she may deem necessary or desirable. To the extent permitted by applicable law, and under the supervision of the Treasurer, such agents may serve as paying agent, fiscal agent or registrar for the Bonds or may assist the Treasurer in performing any or all of such functions and other duties as the Treasurer may determine. Such agents shall serve under the terms and conditions (including compensation for such agents) as the Treasurer may determine. The Treasurer may remove or replace agents appointed pursuant to this Section 11 at any time.

Section 12. Retention of Other Agents; Payment of Compensation to Such Agents.

The Director of Public Finance is hereby authorized to retain the services of other agents, including but not limited to, rating agencies, financial advisors, financial printers and bond insurers as he or she may deem necessary or desirable to facilitate the issuance of the Bonds. The Director of Public Finance is hereby further authorized to enter into any agreements and to compensate such agents for services rendered. Such agents shall serve under such terms and conditions as the Director of Public Finance shall determine. The Director of Public Finance may remove or replace agents appointed pursuant to this Section 12 at any time.

Section 13. Defeasance Provisions. Payment of all or any portion of the Bonds may be provided for prior to maturity by irrevocably depositing with the Treasurer (or any
commercial bank or trust company designated by the Treasurer to act as escrow agent with respect thereto):

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

(b) Defeasance Securities (as hereinafter defined) not subject to call, except as provided below in the definition thereof, maturing and paying interest at such times and in such amounts, together with cash, if required, as will, without reinvestment, as certified by an independent certified public accountant, be fully sufficient to pay the principal and all unpaid interest to maturity, or to the redemption date, as the case may be, and any premium due on the Bonds to be paid or redeemed, as such principal and interest come due.

Upon the deposit in accordance with the previous paragraph, all obligations of the City with respect to said outstanding Bonds shall cease and terminate, except only the obligation of the City to pay or cause to be paid from the funds deposited pursuant to paragraphs (a) or (b) of this Section 13, to the Owners of said Bonds all sums due with respect thereto; provided, that the City shall have received an opinion of nationally recognized bond counsel, that provision for the payment of said Bonds has been made in accordance with this Section 13. In the case of the Bonds which are to be redeemed prior to maturity, notice of such redemption shall be given as provided in Section 8 hereof or an irrevocable election to give such notice shall have been made by the City.

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For purpose of this Section 13, "Defeasance Securities" shall mean any of the following which at the time are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

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

For purposes of this Section 13, "United States Obligations" shall mean direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including without limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds which have been stripped by request to the Federal Reserve Bank of New York in book-entry form.

Section 14. Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids for the Bonds is hereby approved and adopted as the Official Notice of Sale inviting bids for the Bonds with such changes as may be made in accordance with Section 20 hereof.

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The Director of Public Finance is hereby authorized and directed to determine a date, time and place for the sale of the Bonds. The Director of Public Finance is hereby authorized and directed to cause to be distributed to prospective bidders for the Bonds copies of said Official Notice of Sale, subject to such changes as may be acceptable to the Director of Public Finance.

Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed Notice of Intention to Sell Bonds is hereby approved and adopted as the Notice of Intention to Sell Bonds, and the Director of Public Finance is hereby authorized and directed to cause said Notice of Intention to Sell Bonds, subject to such changes as may be made in accordance with Section 20 hereof, to be published once at least fifteen (15) days before the date of sale in The Bond Buyer, or another financial publication generally circulated throughout the State of California.

Section 16. Receipt of Bids; Award of Bonds. The Bonds shall be sold at a competitive public sale as described in this Section and in the Official Notice of Sale. The Board of Supervisors hereby authorizes the receipt of bids for the purchase of not to exceed $20,000,000 principal amount of the Bonds at such time, date and place as determined by the Director of Public Finance.

The Finance Committee of the Board of Supervisors is hereby authorized to award the Bonds to the bidder whose bid represents the lowest true interest cost to the City, provided that: (a) the price bid shall not be less than the principal amount of the Bonds, (b) neither the true interest cost, yield or coupon interest rate of the Bonds shall exceed 12%, and (c) the Bonds shall otherwise conform to all provisions set forth herein, all in accordance with the procedures described in the Official Notice of Sale. Proposals shall be received by the Clerk of the Board of Supervisors on the sale date designated by the Director of Public Finance.

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Section 17. Official Statement. The form of proposed Official Statement describing the Bonds submitted to the Board of Supervisors is hereby approved and adopted as the Official Statement describing the Bonds, with such changes as may be determined to be necessary or desirable made in accordance with Section 20 hereof. The Controller is hereby authorized to cause the distribution of a Preliminary Official Statement deemed final for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and to sign a certificate to that effect. The Controller is further hereby authorized and directed to sign the final Official Statement and to cause to be printed and mailed to prospective bidders for the Bonds copies of the Official Statement in substantially the form of the Preliminary Official Statement approved and adopted hereby as supplemented, corrected or revised.

Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate intended to permit the original purchasers of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended (a copy of which is on file with the Clerk of the Board of Supervisors and which is hereby declared to be a part of this Resolution as if fully set forth herein), submitted to the Board of Supervisors is hereby approved and adopted as the Continuing Disclosure Certificate of the City with respect to the Bonds, with such changes as may be determined to be necessary or desirable made in accordance with Section 20 hereof. The Controller is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate on behalf of the City to the original purchasers of the Bonds.

Section 19. Tax Covenant. (a) The City hereby covenants that the City will not make any use of the proceeds of the Bonds or any other funds of the City which would cause the Bonds to be: (i) "arbitrage bonds," the interest on which will be subject to inclusion in gross income for purposes of federal income taxation by reason of the Code; (ii) "private activity bonds," the interest on which will be subject to inclusion in gross income for purposes of federal income taxation by reason of the Code; (iii) "qualified facility bonds," the interest on which will be subject to inclusion in gross income for purposes of federal income taxation by reason of the Code; (iv) "tax-exempt bonds," the interest on which will be subject to inclusion in gross income for purposes of federal income taxation by reason of the Code; or (v) "exempt facility bonds," the interest on which will be subject to inclusion in gross income for purposes of federal income taxation by reason of the Code.

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taxation by reason of Section 141(a) of the Code; or, (iii) obligations the interest on which will be
subject to inclusion in gross income for purposes of federal income taxation because they are
"federally guaranteed" as provided in Section 149(b) of the Code; and to that end the City, with
respect to the proceeds of the Bonds, will comply with all requirements of such sections of the
Code and all Treasury Regulations issued thereunder to the extent that such requirements are,
at the time, applicable and in effect, and will comply with the provisions of the Tax and Non-
Arbitrage Certificate to be entered into by the City, dated the date of issuance of the Bonds, as
originally executed and as it may be amended from time to time (herein called the "Tax
Certificate").

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

Section 20. Modification to Documents. Any City official authorized by this Resolution
to execute any document is hereby further authorized, in consultation with the City Attorney,
to approve and make such changes to the document or documents such official is authorized
to execute as may be necessary or advisable (provided that such changes shall not authorize
an aggregate principal amount of Bonds in excess of $20,000,000). The approval of any
change, addition, amendment or modification to any of the aforementioned documents shall
be evidenced conclusively by the execution and delivery of the document in question.

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

Section 22. Accountability Reports. The Series 2000D Bonds are subject to Article VIII of
Chapter 2 of the City's Administrative Code. Accountability report(s) with respect to the Series
2000D Bonds shall be submitted at the time(s) and in the manner required by said Article VIII.
Section 23. General Authority. The Clerk of the Board of Supervisors, the Finance Committee of the Board of Supervisors, the Treasurer, the City Attorney, the Controller and the Director of Public Finance are each hereby authorized and directed in the name and on behalf of the City to take any and all steps and to issue and deliver any and all certificates, opinions, requisitions, agreements, notices, consents, and other documents, including but not limited to letters of representations to any depository or depositories which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Bonds.

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By

DAVE ANGELO SANCHEZ
Deputy City Attorney

MAYOR WILLIE L. BROWN, JR.
BOARD OF SUPERVISORS
Resolution authorizing and directing the sale of not to exceed $20,000,000 City and County of San Francisco General Obligation Bonds (Affordable Housing) Series 2000D; prescribing the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositaries and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale of Bonds 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 22, 2000  Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Teng, Yaki, Yee
Absent: 1 - Newsom
I hereby certify that the foregoing Resolution was ADOPTED on May 22, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.