

FILE NO. 012190

RESOLUTION NO. 13-02

1 [2002 San Francisco Unified School District General Obligation Bond Sale]

2
3 **Resolution Authorizing and Directing the Sale of Not to Exceed \$29,480,000 City**
4 **and County of San Francisco General Obligation Bonds (Educational Facilities Bonds,**
5 **1997 – San Francisco Unified School District), Series 2002_; Prescribing the Form and**
6 **Terms of Said Bonds; Authorizing the Execution, Authentication and Registration of Said**
7 **Bonds; 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 and Execution of the Continuing**
12 **Disclosure Certificate; Approving Modifications to Documents; Ratifying Certain Actions**
13 **Previously taken; and Granting General Authority to City Officials to take Necessary**
14 **Actions in Connection with the Authorization, Issuance, Sale and Delivery of Said Bonds.**

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16 WHEREAS, By Resolution No. 1018-97, adopted on November 10, 1997 (the
17 "Authorizing Resolution"), the Board of Supervisors of the City and County of San Francisco (the
18 "Board") authorized the issuance of its Educational Facilities Bonds, 1997 in an aggregate
19 principal amount of \$140,000,000, and by Resolution No. 149-98 adopted on March 2, 1998 (as
20 amended by Resolution 137-99 adopted on March 1, 1999) the Board authorized and directed
21 the sale of said bonds for use by the San Francisco Unified School District, and on June 29,
22 1999 the City and County of San Francisco (the "City") issued \$60,520,000 of such bonds; and,

23 WHEREAS, By the Authorizing Resolution, Resolution No. 1027-97, adopted on
24 November 10, 1997, Resolution No. 149-98, adopted on March 2, 1998, Resolution No. 137-99
25 amending Resolution No. 149-98 adopted on March 1, 1999 and Resolution No. 379-00,

SUPERVISORS AMMIANO AND PESKIN, MCGOLDRICK, LENO, MAXWELL, NEUSOM
BOARD OF SUPERVISORS

1 adopted on May 1, 2000, the Board authorized and directed the sale of the Educational Facilities
2 Bonds, 1997 for use by the Community College District; and,

3 WHEREAS, The City has issued an aggregate total of \$50,000,000 of Educational
4 Facilities Bonds, 1997 – Community College District; and,

5 WHEREAS, It is necessary and desirable to issue an additional and final series of said
6 bonds in an aggregate principal amount of \$29,480,000 and designated as City and County of
7 San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 - San Francisco
8 Unified School District), Series 2002_ (the "Bonds"); and,

9 WHEREAS, The Bonds are being issued pursuant to the Authorizing Resolution and Title
10 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government Code (the "Act"), the
11 Charter of the City and a duly held election; and,

12 WHEREAS, The San Francisco Unified School District (the "District") expects to pay
13 certain expenditures in connection with the projects to be financed by the Bonds prior to the
14 issuance and sale of the Bonds, and the City and County of San Francisco (the "City") intends to
15 reimburse the District for such prior expenditures from the proceeds of the Bonds; and,

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

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

24 WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds
25 within the meaning of Section 864 of the California Code of Civil Procedure; now, therefore, be it

1 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
2 follows:

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

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

9 Section 3. Documents. The documents presented to this Board of Supervisors and on
10 file with the Clerk of the Board of Supervisors, or his or her designee (the "Clerk of the Board of
11 Supervisors") are contained in File No. 012190.

12 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes the
13 issuance and sale of not to exceed \$29,480,000 aggregate principal amount of bonds to be
14 designated as "City and County of San Francisco General Obligation Bonds (Educational
15 Facilities Bonds, 1997 – San Francisco Unified School District), Series 2002_" for the purposes
16 set forth in the Authorizing Resolution. The Director of Public Finance of the City or his or her
17 designee (the "Director of Public Finance") is hereby authorized to determine the sale date, the
18 maturity dates and the redemption dates of the Bonds, subject to the following terms and
19 conditions: (i) No Bond shall bear interest at a rate in excess of 12% and (ii) No Bonds shall have
20 a final maturity date after ~~June 15, 2027~~. The Director of Public Finance is further authorized
21 to give the Bonds and any accounts created hereunder for such Bonds such additional or other
22 series designation as may be necessary or appropriate to distinguish such series from every
23 other series and from other bonds issued by the City.

24 Section 5. Execution, Authentication and Registration of the Bonds. The Bonds shall be
25 in fully registered form without coupons in denominations of \$5,000 or any integral multiple

1 thereof. The officers of the City are hereby directed to cause the Bonds to be prepared in
2 sufficient quantity for delivery to the purchaser thereof and are hereby directed to cause the
3 blanks therein to be completed in accordance with the Authorizing Resolution, to cause the seal
4 of the City to be reproduced or impressed thereon, to procure their execution by the proper
5 officers of the City, and to deliver the Bonds when so executed to said purchaser in exchange for
6 the purchase price thereof.

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

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

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

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

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

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

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

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

21 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall each
22 be dated the date of delivery or such other date (the "Dated Date") as specified in the award to
23 be made pursuant to Section 13 hereof (the "Bond Award"). The Bonds shall bear interest from
24 the Dated Date until maturity (at rates to be determined upon sale of the Bonds) calculated on
25 the basis of a 360-day year comprised of twelve 30-day months, payable on December 15, 2002,

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

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

10 Each Bond shall bear interest from the interest payment date next preceding the date of
11 authentication thereof unless it is authenticated as of a day during the period from the Record
12 Date next preceding any interest payment date to the interest payment date, inclusive, in which
13 event it shall bear interest from such interest payment date, or unless it is authenticated on or
14 before ~~November 30, 2002~~ (or such other date as may be designated in the Bond Award), in
15 which event it shall bear interest from the Dated Date; provided, however, that if, at the time of
16 authentication of any Bond, interest is in default on the Bonds, such Bond shall bear interest
17 from the interest payment date to which interest has previously been paid or made available for
18 payment on the Bonds or from the Dated Date if the first interest payment is not made. Payment
19 of the interest on any Bond shall be paid by check mailed to such owner at such owner's address
20 as it appears on the bond registration books as of the Record Date; provided, however, if any
21 interest payment occurs on a day that banks in either California and New York are closed for
22 business, then such payment shall be made on the next succeeding day that banks in both
23 California and New York are open for business and the New York Stock Exchange is open for
24 business (a "Business Day"); and provided, further, that the registered owner of an aggregate
25 principal amount of at least \$1,000,000 of the Bonds may submit a written request to the City

1 Treasurer on or before a Record Date preceding an interest payment date for payment of
2 interest by wire transfer to a commercial bank located within the continental United States. For
3 so long as Cede & Co. or its registered assignee is the registered owner of all of the Bonds,
4 payment shall be made by wire transfer of immediately available funds to Cede & Co.

5 The Bonds maturing on or before June 15, 2010~~0~~ (or such other date as may be
6 designated in the Bond Award) shall not be subject to optional redemption prior to maturity. The
7 Bonds maturing on or after June 15, 2011~~0~~ (or such other date as may be designated in the
8 Bond Award) are subject to optional redemption prior to their respective stated maturities, at the
9 option of the City, from any source of available funds, as a whole or in part on any date (with the
10 maturities to be redeemed to be determined by the City and by lot within a maturity) on or after
11 June 15, 2010~~0~~ (or such other date as may be designated in the Bond Award), at redemption
12 prices equal to 102% of the principal amount redeemed in the first year the Bonds are subject to
13 optional redemption (with such redemption price declining to 100% at the rate of 1% annually),
14 together with accrued interest to the date of redemption, or such other redemption prices as may
15 be designated in the Bond Award.

16 The Bonds shall be subject to mandatory redemption at par, by lot, in any year for which
17 the successful bidder therefor has designated that the principal amount payable with respect to
18 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice of
19 Sale (as more fully described in Section 13 hereof). Any Bonds subject to mandatory
20 redemption shall be designated as such in the Bond Award. The principal and interest on the
21 Bonds subject to mandatory redemption shall be paid from the Series 2002_ Bond Account (as
22 defined in Section 9 hereof) pursuant to Section 9 hereof. In lieu of any such mandatory
23 redemption, at any time prior to the selection of the Bonds for redemption, the City may apply
24 such amounts on deposit in the Series 2002_ Bond Account to make such payment for the
25 purchase of Bonds subject to such redemption at public or private sale, as and when and at such

1 prices not in excess of the principal amount thereof (including brokerage and other charges but
2 excluding accrued interest), as the City may determine.

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

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

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

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

7 At the time the City Treasurer or the Controller of the City or his or her designee (the
8 "Controller") determines to optionally call and redeem any of the Bonds, the City Treasurer or his
9 or her agent shall establish a redemption account to be described or known as the "General
10 Obligation Bonds (Educational Facilities Bonds, 1997 – San Francisco Unified School District),
11 Series 2002_ Redemption Account" (the "Series 2002_ Redemption Account") and prior to or on
12 the redemption date there must be set aside in said Series 2002_ Redemption Account moneys
13 available for the purpose and sufficient to redeem as provided in this Resolution, the Bonds
14 designated in said notice of redemption. Said moneys must be set aside in the Series 2002_
15 Redemption Account solely for the purpose of, and shall be applied on or after the redemption
16 date to, payment of the redemption price of the Bonds to be redeemed upon presentation and
17 surrender of such Bonds. Any interest due on or prior to the redemption date may be paid from
18 the Series 2002_ Bond Account as provided in Section 9 hereof or from the Series 2002_
19 Redemption Account. Moneys held from time to time in the Series 2002_ Redemption Account
20 may be invested in any investment of the City in which moneys in the General Fund of the City
21 are invested or pursuant to any resolution authorizing the issuance of refunding bonds or escrow
22 agreement relating thereto. If, after all of the Bonds have been redeemed and canceled or paid
23 and canceled, there are moneys remaining in said Series 2002_ Redemption Account, said
24 moneys shall be transferred to the General Fund of the City; provided, however, that if said
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1 moneys are part of the proceeds of refunding bonds, said moneys shall be transferred pursuant
2 to the resolution authorizing such refunding bonds.

3 When notice of optional redemption has been given, substantially as provided herein, and
4 when the amount necessary for the redemption of the Bonds called for redemption (principal and
5 premium, if any) is set aside for that purpose in said Series 2002_ Redemption Account, as
6 provided herein, the Bonds designated for redemption shall become due and payable on the
7 date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the
8 place specified in the notice of redemption, such Bonds shall be redeemed and paid at said
9 redemption price out of said Series 2002_ Redemption Account. No interest will accrue on such
10 Bonds called for redemption after the redemption date and the registered owners of such Bonds
11 shall look for payment of such Bonds only to said Series 2002_ Redemption Account. All Bonds
12 redeemed shall be canceled forthwith by the City Treasurer and shall not be reissued.

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

23 Section 9. Series 2002_ Bond Account. There is hereby established with the City
24 Treasurer a special subaccount in the General Obligation Bonds (Educational Facilities
25 Bonds, 1997 – San Francisco Unified School District) Bond Account (the "Bond Account")

1 created pursuant to the Authorizing Resolution, to be designated the "General Obligation
2 Bonds (Educational Facilities Bonds, 1997—San Francisco Unified School District), Series
3 2002_ Bond Account (the "Series 2002_ Bond Account"), to be held separate and apart from
4 all other accounts of the City. All interest earned on amounts on deposit in the Series 2002_
5 Bond Account shall be retained in the Series 2002_ Bond Account.

6 On or prior to the date on which any payment of principal or interest on the Bonds is
7 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer
8 shall allocate to and deposit in the Series 2002_ Bond Account, from amounts held in the
9 Bond Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when
10 added to any available moneys contained in the Series 2002_ Bond Account, is sufficient to
11 pay principal and interest on the Bonds on such date.

12 On or prior to the date on which any Bonds are to be redeemed at the option of the City
13 pursuant to this Resolution, the City Treasurer may allocate to and deposit in the Series
14 2002_ Redemption Account, from amounts held in the Bond Account pursuant to Section 8 of
15 the Authorizing Resolution, an amount which, when added to any available moneys contained
16 in the Series 2002_ Bond Account, is sufficient to pay principal and interest and any premium
17 on the Bonds on such date. The City Treasurer may make such other provision for the
18 payment of principal and interest and any redemption premium on the Bonds to be redeemed
19 as is necessary or convenient to permit the optional redemption of the Bonds.

20 Amounts in the Series 2002_ Bond Account may be invested in any investment of the
21 City in which moneys in the General Fund of the City are invested. The City Treasurer may
22 commingle any of the moneys held in the Series 2002_ Bond Account with other City moneys
23 or deposit amounts credited to the Series 2002_ Bond Account into a separate fund or funds
24 for investment purposes only; *provided, however*, that all of the moneys held in the Series
25 2002_ Bond Account hereunder shall be accounted for separately notwithstanding any such

1 commingling or separate deposit by the City Treasurer. Any bid premium and accrued
2 interest received upon the sale of the Bonds shall be deposited into the Series 2002_ Bond
3 Account.

4 Section 10. Series 2002_ Project Account. There is hereby established with the City
5 Treasurer a special subaccount in the General Obligation Bonds (Educational Facilities
6 Bonds, 1997 – San Francisco Unified School District) Project Account (the "Project Account")
7 created pursuant to the Authorizing Resolution, to be designated the "General Obligation
8 Bonds (Educational Facilities Bonds, 1997 – San Francisco Unified School District), Series
9 2002_ Project Account (the "Series 2002_ Project Account"), to be held separate and apart
10 from all other accounts of the City. All interest earned on amounts on deposit in the Series
11 2002_ Project Account shall be retained in the Series 2002_ Project Account. Amounts in the
12 Series 2002_ Project Account shall be expended for the acquisition, construction and
13 reconstruction of educational facilities in accordance with the provisions of the Authorizing
14 Resolution.

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

22 The City Treasurer is hereby authorized to pay or cause to be paid from the proceeds
23 of the Bonds, on behalf of the City, the costs of issuance associated with the Bonds. Costs of
24 issuance of the Bonds shall include, without limitation, bond and financial printing expenses,
25 mailing and publication expenses, rating agency fees, the fees and expenses of paying

1 agents, registrars, financial consultants and bond counsel and the reimbursement of
2 departmental expenses in connection with the issuance of the Bonds.

3 Section 11. Appointment of Depositories and Other Agents. The City Treasurer is
4 hereby authorized and directed to appoint one or more depositories as he or she may deem
5 desirable and the procedures set forth in Section 8 hereof relating to payments and redemption
6 notices to owners of the Bonds may be modified to comply with the policies and procedures of
7 such depository. Neither the City nor the City Treasurer will have any responsibility or obligation
8 to any purchaser of a beneficial ownership interest in any Bonds or to any participants in such a
9 depository with respect to (i) the accuracy of any records maintained by such securities
10 depository or any participant therein; (ii) any notice that is permitted or required to be given to the
11 owners of the Bonds under this Resolution; (iii) the selection by such securities depository or any
12 participant therein of any person to receive payment in the event of a partial redemption of the
13 Bonds; (iv) the payment by such securities depository or any participant therein of any amount
14 with respect to the principal or redemption premium, if any, or interest due with respect to the
15 Bonds; (v) any consent given or other action taken by such securities depository as the owner of
16 the Bonds; or (vi) any other matter.

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

24 Section 12. Defeasance Provisions. Payment of all or any portion of the Bonds may be
25 provided for prior to maturity by irrevocably depositing with the City Treasurer (or any

1 commercial bank or trust company designated by the City Treasurer to act as escrow agent with
2 respect thereto):

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

10 (b) Defeasance Securities (as herein defined) not subject to call, except as
11 provided below in the definition thereof, maturing and paying interest at such times and in such
12 amounts, together with cash, if required, as will, without reinvestment, as certified by an
13 independent certified public accountant, be fully sufficient to pay the principal and all unpaid
14 interest to maturity, or to the redemption date, as the case may be, and any premium due on the
15 Bonds to be paid or redeemed, as such principal and interest come due; provided, that, in the
16 case of the Bonds which are to be redeemed prior to maturity, notice of such redemption shall be
17 given as provided in Section 8 hereof or an irrevocable election to give such notice shall have
18 been made by the City; then, all obligations of the City with respect to said outstanding Bonds
19 shall cease and terminate, except only the obligation of the City to pay or cause to be paid from
20 the funds deposited pursuant to paragraphs (a) or (b) of this Section 12, to the owners of said
21 Bonds all sums due with respect thereto; provided, that the City shall have received an opinion of
22 nationally recognized bond counsel, that provision for the payment of said Bonds has been
23 made in accordance with this Section 12.

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

4 (1) United States Obligations (as herein defined); and

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

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

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

5 Proposals shall be received on the sale date designated by the Director of Public Finance
6 pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized and directed
7 to cause to be mailed or otherwise circulated to prospective bidders for the Bonds copies of said
8 Official Notice of Sale, subject to such corrections, revisions or additions as may be acceptable
9 to the Director of Public Finance.

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

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

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

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

13 Section 17. Tax Covenants. (a) General. The City hereby covenants with the holders
14 of the Bonds that, notwithstanding any other provisions of this Resolution, it shall not take any
15 action, or fail to take any action, if any such action or failure to take action would adversely
16 affect the exclusion from gross income of the interest on the 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 Bonds or any of the property financed or refinanced with proceeds of the Bonds, or any
22 portion thereof, by any person other than a governmental unit (as such term is used in Section
23 141 of the Code), in such manner or to such extent as would result in the loss of exclusion of
24 interest on the Bonds from gross income, for federal income tax purposes.
25

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

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

22 (d) Federal Guarantee. The City shall not make any use of the proceeds of the Bonds or
23 any other funds of the City, or take or omit to take any other action, that would cause the
24 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.
25

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

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

14 Section 19. Modification to Documents. Any City official authorized by this Resolution to
15 execute any document is hereby further authorized, in consultation with the City Attorney or his
16 or her designee (the "City Attorney"), to approve and make such changes, additions,
17 amendments or modifications to the document or documents such official is authorized to
18 execute as may be necessary or advisable (provided that such changes, additions, amendments
19 or modifications shall not authorize an aggregate principal amount of Series 2002_ Bonds in
20 excess of \$29,480,000 or conflict with the provisions of Section 4 hereof). The approval of any
21 change, addition, amendment or modification to any of the aforementioned documents shall be
22 evidenced conclusively by the execution and delivery of the document in question.

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

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

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

6 Section 23. Accountability Reports. The Series 2002_ Bonds are subject to Article VIII of
7 Chapter 2 of the City's Administrative Code. Accountability report(s) with respect to the Series
8 2002_ Bonds shall be submitted at the time(s) and in the manner required by said Article VIII.

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

16 Section 25. Precondition to the Sale of Bonds. Prior to the sale of Bonds in accordance with
17 this Resolution, the District shall provide to the City Treasurer, the Director of Public Finance and the
18 Budget Analyst of the Board of Supervisors, a written timeline and expenditure plans for each of the
19 projects to be funded with the Bonds in order to determine whether the amount of Bonds to be sold and
20 the projected date of sale of the Bonds are necessary and/or appropriate.

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APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By: *Theresa Alvarez*
THERESA ALVAREZ
Deputy City Attorney



City and County of San Francisco

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

Tails Resolution

File Number: 012190

Date Passed:

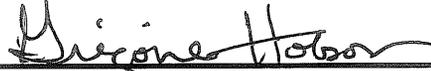
Resolution authorizing and directing the sale of not to exceed \$29,480,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 - San Francisco Unified School District), Series 2002_; prescribing the form and terms of said Bonds; authorizing the execution, authentication 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 and execution 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.

January 7, 2002 Board of Supervisors — ADOPTED

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

File No. 012190

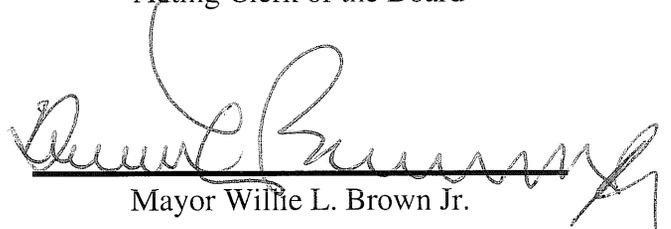
I hereby certify that the foregoing Resolution was ADOPTED on January 7, 2002 by the Board of Supervisors of the City and County of San Francisco.



Gregoire Hobson
Acting Clerk of the Board

JAN 18 2002

Date Approved



Mayor Willie L. Brown Jr.