

FILE NO. 020759

RESOLUTION NO. 381-02

1 [Zoo General Obligation Bond Sale.]

2

3 **Resolution authorizing and directing the sale of not to exceed <sup>\$6,210,000</sup>~~\$6,500,000~~ City and**

4 **County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series**

5 **2002A; prescribing the form and terms of said bonds; authorizing the execution,**

6 **authentication and registration of said bonds; providing for the appointment of**

7 **depositories and other agents for said bonds; providing for the establishment of**

8 **accounts related thereto; approving the forms of the official notice of sale and notice of**

9 **intention to sell bonds; approving the form and execution of the official statement**

10 **relating thereto; approving the form of the continuing disclosure certificate; amending**

11 **Section 9(b) of the Authorizing Resolution; approving modifications to documents;**

12 **ratifying certain actions previously taken; and granting general authority to City**

13 **officials to take necessary actions in connection with the authorization, issuance, sale**

14 **and delivery of said bonds.**

15

16 WHEREAS, By Resolution No. 677-98 (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 August 17, 1998, and signed by the Mayor of the City (the "Mayor") on August 28,

19 1998, the City authorized the issuance of its Zoo Facilities Bonds, 1997; and,

20 WHEREAS, By Resolution No. 138-99, adopted by the Board of Supervisors on

21 March 1, 1999, and signed by the Mayor on March 5, 1999, which amended Resolution No.

22 678-98 adopted by the Board of Supervisors on August 17, 1998, the City authorized the sale

23 of the first series of not to exceed \$18,000,000 of its Zoo Facilities Bonds, 1997; and,

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1           WHEREAS, By Resolution No. 380-00, adopted by the Board of Supervisors on May 1,  
2 2000, and signed by the Mayor on May 12, 2000, the City authorized the sale of the second  
3 series of not to exceed \$17,440,000 of its Zoo Facilities Bonds, 1997; and,

4           WHEREAS, It is necessary and desirable to issue an additional series]of said bonds in  
5 a single series as City and County of San Francisco General Obligation Bonds (Zoo Facilities  
6 Bonds, 1997), Series 2002A (the "Bonds"); and,

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

10           WHEREAS, The City expects to pay certain expenditures in connection with the  
11 projects to be financed by the Bonds prior to the issuance and sale of the Bonds, and the City  
12 intends to reimburse itself and to pay third parties for such prior expenditures from the  
13 proceeds of the Bonds; and,

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

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

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

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1           WHEREAS, In accordance with Section 15(d) of the Authorizing Resolution, the City  
2 may adopt a supplemental resolution, without the consent of the owners of the Bonds, to cure  
3 any ambiguity, supply and omission, or cure or correct any defect or inconsistent provision of  
4 the Authorizing Resolution or any resolution authorizing the issuance of any series of Bonds;  
5 and,

6           WHEREAS, The Board of Supervisors desires to cure an inconsistency in the first  
7 paragraph of Section 9(b) of the Authorizing Resolution to reflect the current practice of the  
8 City Treasurer; and,

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

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

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

17           Section 3. Documents. The documents presented to this Board of Supervisors and on  
18 file with the Clerk of the Board of Supervisors are contained in File No. 020759.

19           Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes  
20 the issuance and sale of not to exceed ~~\$6,500,000~~ <sup>\$6,210,000</sup> aggregate principal amount of bonds to be  
21 designated as "City and County of San Francisco General Obligation Bonds (Zoo Facilities  
22 Bonds, 1997), Series 2002A" for the purposes set forth in the Authorizing Resolution. The  
23 Director of Public Finance of the City (the "Director of Public Finance") is hereby authorized to  
24 determine the sale date, the maturity dates and the redemption dates of the Bonds, subject to  
25 the following terms and conditions: (i) the Bonds shall not have a true interest cost in excess

1 of 12% (as such term is defined in the Official Notice of Sale); (ii) the Bonds shall not have a  
2 final maturity date after June 15, 2022; and (iii) any original issue discount on the purchase of  
3 the Bonds shall not exceed 2% of the principal amount of the Bonds. The Director of Public  
4 Finance is further authorized to give the Bonds such additional or other series designation as  
5 may be necessary or appropriate to distinguish such series from every other series and from  
6 other bonds issued by the City.

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

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

22 Only such of the Bonds as shall bear thereon a certificate of authentication and  
23 registration in the form herein recited, executed by the City Treasurer, shall be valid or  
24 obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of

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1 the City Treasurer shall be conclusive evidence that the Bonds so authenticated have been  
2 duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

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

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

11 Section 7. Transfer or Exchange of Bonds. Any Bond may, in accordance with its  
12 terms, be transferred upon the books required to be kept pursuant to the provisions of Section  
13 6 hereof, by the person in whose name it is registered, in person or by the duly authorized  
14 attorney of such person in writing, upon surrender of such Bond for cancellation, accompanied  
15 by delivery of a duly executed written instrument of transfer in a form approved by the City  
16 Treasurer.

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

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

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

5 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall each  
6 be dated the first day of the month in which the Bonds are sold or such other date (the "Dated  
7 Date") as specified in the award to be made pursuant to Section 13 hereof (the "Bond  
8 Award"). The Bonds shall bear interest from the date thereof until paid at rates to be  
9 determined upon sale of the Bonds calculated on the basis of a 360-day year comprised of  
10 twelve 30-day months, payable on December 15, 2002, and semiannually thereafter on  
11 June 15 and December 15 of each year (or such other dates as may be designated in the  
12 Bond Award).

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

20 Each Bond shall bear interest from the interest payment date next preceding the date  
21 of authentication thereof unless it is authenticated as of a day during the period from the  
22 Record Date next preceding any interest payment date to the interest payment date, inclusive,  
23 in which event it shall bear interest from such interest payment date, or unless it is  
24 authenticated on or before November 30, 2002 (or such other date as may be designated in  
25 the Bond Award), in which event it shall bear interest from the Dated Date; provided, however,

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

18 The Bonds maturing on or before June 15, 2010 (or such other date as may be  
19 designated in the Bond Award) shall not be subject to optional redemption prior to maturity.  
20 The Bonds maturing on or after June 15, 2011 (or such other date as may be designated in  
21 the Bond Award) are subject to optional redemption prior to their respective stated maturities,  
22 at the option of the City, from any source of available funds, as a whole or in part on any date  
23 (with the maturities to be redeemed to be determined by the City and by lot within a maturity)  
24 on or after June 15, 2010 (or such other date as may be designated in the Bond Award), at  
25 redemption prices equal to 101% of the principal amount redeemed in the first year the Bonds

1 are subject to optional redemption (with such redemption price declining to 100% at the rate of  
2 0.5% annually), together with accrued interest to the date of redemption, or such other  
3 redemption prices as may be designated in the Bond Award.

4 The Bonds shall be subject to mandatory redemption at par, by lot, in any year for  
5 which the purchaser therefor has designated that the principal amount payable with respect to  
6 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice  
7 of Sale (as more fully described in Section 13 hereof). Any Bonds subject to mandatory  
8 redemption shall be designated as such in the Bond Award. The principal and interest on  
9 Series 2002A Bonds subject to mandatory redemption shall be paid from the Series 2002A  
10 Bond Account pursuant to Section 9 hereof. In lieu of any such mandatory redemption, at any  
11 time prior to the selection of the Bonds for redemption, the City may apply such amounts on  
12 deposit in the Series 2002A Bond Account (as defined in Section 9 hereof) to make such  
13 payment to the purchase of Bonds subject to such redemption at public or private sale, as and  
14 when and at such prices not in excess of the principal amount thereof (including sales  
15 commission and other charges but excluding accrued interest), as the City may determine.

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



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

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

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

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

19 At the time the City Treasurer or Controller determines to optionally call and redeem  
20 any of the Bonds, the City Treasurer or his or her agent shall establish a redemption account  
21 to be described or known as the "General Obligation Bonds (Zoo Facilities Bonds, 1997),  
22 Series 2002A Redemption Account" (the "Series 2002A Redemption Account") and prior to or  
23 on the redemption date there must be set aside in said Series 2002A Redemption Account  
24 moneys available for the purpose and sufficient to redeem, as provided in this Resolution, the  
25 Bonds designated in said notice of redemption. Said moneys must be set aside in the Series

1 2002A Redemption Account solely for the purpose of, and shall be applied on or after the  
2 redemption date to, payment of the redemption price of the Bonds to be redeemed upon  
3 presentation and surrender of such Bonds. Any interest due on or prior to the redemption  
4 date may be paid from the Series 2002A Bond Account as provided in Section 9 hereof or  
5 from the Series 2002A Redemption Account. Moneys held from time to time in the Series  
6 2002A Redemption Account shall be invested by the City Treasurer pursuant to the City's  
7 policies and guidelines for investment of General Fund moneys or pursuant to any resolution  
8 authorizing the issuance of refunding bonds or any escrow agreement relating thereto. If,  
9 after all of the Bonds have been redeemed and canceled or paid and canceled, there are  
10 moneys remaining in said Series 2002A Redemption Account, said moneys shall be  
11 transferred to the General Fund of the City provided, however, that if said moneys are part of  
12 the proceeds of refunding bonds, said moneys shall be transferred pursuant to the resolution  
13 authorizing such refunding bonds.

14 Whenever less than all the outstanding Bonds maturing on any one date are called for  
15 redemption on any one date, the City Treasurer will select the Bonds or portions thereof, in  
16 denominations of \$5,000 or any integral multiple thereof, to be redeemed from the outstanding  
17 Bonds maturing on such date not previously selected for redemption, by lot in any manner  
18 which the City Treasurer deems fair.

19 When notice of optional redemption has been given, substantially as provided herein,  
20 and when the amount necessary for the redemption of the Bonds called for redemption  
21 (principal and premium, if any) is set aside for that purpose in said Series 2002A Redemption  
22 Account, as provided herein, the Bonds designated for redemption shall become due and  
23 payable on the date fixed for redemption thereof, and upon presentation and surrender of said  
24 Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and  
25 paid at said redemption price out of said Series 2002A Redemption Account. No interest will

1 accrue on such Bonds called for redemption after the redemption date and the registered  
2 owners of such Bonds shall look for payment of such Bonds only to said Series 2002A  
3 Redemption Account. All Bonds redeemed shall be canceled forthwith by the City Treasurer and  
4 shall not be reissued.

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

15 Section 9. Series 2002A Bond Account. There is hereby established with the City  
16 Treasurer a special subaccount in the General Obligation Bonds (Zoo Facilities Bonds, 1997)  
17 Bond Account (the "Bond Account") created pursuant to the Authorizing Resolution, to be  
18 designated the "General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2002A Bond  
19 Account" (the "Series 2002A Bond Account"), to be held separate and apart from all other  
20 accounts of the City. All interest earned on amounts on deposit in the Series 2002A Bond  
21 Account shall be deposited in the Series 2002A Bond Account.

22 On or prior to the date on which any payment of principal or interest on the Bonds is  
23 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer  
24 shall allocate to and deposit in the Series 2002A Bond Account, from amounts held in the  
25 Bond Account pursuant to Section 9 of the Authorizing Resolution, an amount which, when

1 added to any available moneys contained in the Series 2002A Bond Account, is sufficient to  
2 pay principal and interest on the Bonds on such date.

3 On or prior to the date on which any Bonds are to be redeemed at the option of the City  
4 pursuant to this Resolution, the City Treasurer may allocate to and deposit in the Series  
5 2002A Redemption Account, from amounts held in the Bond Account pursuant to Section 9 of  
6 the Authorizing Resolution, an amount which, when added to any available moneys contained  
7 in the Series 2002A Bond Account, is sufficient to pay principal and interest and any premium  
8 on the Bonds on such date. The City Treasurer may make such other provision for the  
9 payment of principal and interest and any redemption premium on the Bonds as is necessary  
10 or convenient to permit the optional redemption of the Bonds.

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

18 Section 10. Series 2002A Project Account. There is hereby established with the City  
19 Treasurer a special subaccount in the General Obligation Bonds (Zoo Facilities Bonds, 1997)  
20 Project Account (the "Project Account") created pursuant to the Authorizing Resolution, to be  
21 designated the "General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2002A Project  
22 Account" (the "Series 2002A Project Account"), to be held separate and apart from all other  
23 accounts of the City. All interest earned on amounts on deposit in the Series 2002A Project  
24 Account shall be retained in the Series 2002A Project Account. Amounts in the Series 2002A  
25 Project Account shall be expended in accordance with the provisions of the Authorizing

1 Resolution for the acquisition, construction and reconstruction of the Project (as defined in the  
2 Authorizing Resolution).

3 Amounts in the Series 2002A Project Account may be invested in any investment of the  
4 City in which moneys in the General Fund of the City are invested. The City Treasurer may  
5 commingle any of the moneys held in the Series 2002A Project Account with other City  
6 moneys or deposit amounts credited to the Series 2002A Project Account into a separate fund  
7 or funds for investment purposes only; *provided, however*, that all of the moneys held in the  
8 Series 2002A Project Account hereunder shall be accounted for separately notwithstanding  
9 any such commingling or separate deposit by the City Treasurer.

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

16 Section 11. Appointment of Securities Depositories and Other Agents. The City  
17 Treasurer is hereby authorized and directed to appoint one or more depositories as he or she  
18 may deem desirable and the procedures set forth in Section 8 hereof relating to registration of  
19 the ownership of the Bonds, and payments and redemption notices to owners of the Bonds  
20 may be modified to comply with the policies and procedures of such depository. The City will  
21 not have any responsibility or obligation to any purchaser of a beneficial ownership interest in  
22 any Bonds or to any participants in such a depository with respect to (i) the accuracy of any  
23 records maintained by such securities depository or any participant therein; (ii) any notice that  
24 is permitted or required to be given to the owners of the Bonds under this Resolution; (iii) the  
25 selection by such securities depository or any participant therein of any person to receive

1 payment in the event of a partial redemption of the Bonds; (iv) the payment by such securities  
2 depository or any participant therein of any amount with respect to the principal or redemption  
3 premium, if any, or interest due with respect to the Bonds; (v) any consent given or other  
4 action taken by such securities depository as the owner of the Bonds; or (vi) any other matter.

5 The City Treasurer is hereby also authorized and directed to appoint one or more  
6 agents as he or she may deem necessary or desirable. To the extent permitted by applicable  
7 law and under the supervision of the City Treasurer, such agents may serve as paying agent,  
8 fiscal agent, rebate calculation agent or escrow agent or registrar for the Bonds or may assist  
9 the City Treasurer in performing any or all of such functions and such other duties as the City  
10 Treasurer shall determine. Such agents shall serve under such terms and conditions as the  
11 City Treasurer shall determine. The City Treasurer may remove or replace agents appointed  
12 pursuant to this paragraph at any time.

13 Section 12. Defeasance Provisions. Payment of all or any portion of the Bonds may  
14 be provided for prior to their respective stated maturities by irrevocably depositing with the  
15 City Treasurer (or any commercial bank or trust company designated by the City Treasurer to  
16 act as escrow agent with respect thereto):

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

24 (b) Defeasance Securities (as herein defined) not subject to call, except as  
25 provided below in the definition thereof, maturing and paying interest at such times and in

1 such amounts, together with interest earnings and cash, if required, as will, without  
2 reinvestment, as certified by an independent certified public accountant, be fully sufficient to  
3 pay the principal and all unpaid interest to maturity, or to the redemption date, as the case  
4 may be, and any premium due on the Bonds to be paid or redeemed, as such principal and  
5 interest come due; provided, that, in the case of the Bonds which are to be redeemed prior to  
6 maturity, notice of such redemption shall be given as provided in Section 8 hereof or an  
7 irrevocable election to give such notice shall have been made by the City; then, all obligations  
8 of the City with respect to said outstanding Bonds shall cease and terminate, except only the  
9 obligation of the City to pay or cause to be paid from the funds deposited pursuant to  
10 paragraphs (a) or (b) of this Section 12, to the owners of said Bonds all sums due with respect  
11 thereto; provided, that the City shall have received an opinion of nationally recognized bond  
12 counsel, that provision for the payment of said Bonds has been made in accordance with this  
13 Section 12.

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

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

18 (2) Pre-refunded fixed interest rate municipal obligations meeting the following  
19 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the  
20 trustee has been given irrevocable instructions concerning their calling and redemption and  
21 the issuer has covenanted not to redeem such obligations other than as set forth in such  
22 instructions; (b) the municipal obligations are secured by cash and/or United States  
23 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in  
24 the escrow fund or the redemption account) are sufficient to meet the liabilities of the  
25 municipal obligations; (d) the United States Obligations serving as security for the municipal

1 obligations are held by the City Treasurer, or if appointed by the City Treasurer pursuant to  
2 Section 11 hereof, an escrow agent or trustee; (e) the United States Obligations are not  
3 available to satisfy any other claims, including those against the trustee or escrow agent; and  
4 (f) the municipal obligations are rated "AAA" by S&P and "Aaa" by Moody's.

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

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

18 Proposals shall be received on the sale date designated by the Director of Public  
19 Finance pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized  
20 and directed to cause to be mailed to prospective bidders for the Bonds copies of said Official  
21 Notice of Sale, subject to such corrections, revisions or additions as may be acceptable to the  
22 Director of Public Finance.

23 The Controller is hereby authorized to award the Bonds to the bidder whose bid  
24 represents the lowest true interest cost to the City, all in accordance with the procedures  
25 described in the Official Notice of Sale. The Controller shall provide a copy of the Bond



1 Award as soon as practicable to the Clerk of the Board of Supervisors and the Director of  
2 Public Finance; provided, however, that failure to provide such copies shall not affect the  
3 validity of the Bond Award.

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

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

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

1           Section 17. Tax Covenants.

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

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

1 Code (or, if applicable, the 1954 Code) and the continued qualification of the Bonds as  
2 "governmental bonds."

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

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

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

18 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure  
19 Certificate issued by the City to permit the original purchasers of the Bonds to comply with  
20 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities  
21 Exchange Act of 1934, as amended, submitted to the Board of Supervisors is hereby  
22 approved and adopted as the Continuing Disclosure Certificate, with such additions,  
23 corrections and revisions as may be determined to be necessary or desirable made in  
24 accordance with Section 19 hereof. The Controller, or his designee, is hereby authorized and  
25 directed to enter into the Continuing Disclosure Certificate on behalf of the City.

1           Section 19. Modification to Documents. Any City official authorized by this Resolution  
2 to execute any document is hereby further authorized, in consultation with the City Attorney,  
3 to approve and make such changes, additions, amendments or modifications to the document  
4 or documents such official is authorized to execute as may be necessary or advisable  
5 (provided that such changes, additions, amendments or modifications shall not authorize an  
6 aggregate principal amount of Series 2002A Bonds in excess of ~~\$6,500,000~~ <sup>\$6,210,000</sup> or conflict with  
7 the provisions of Section 4 hereof). The approval of any change, addition, amendment or  
8 modification to any of the aforementioned documents shall be evidenced conclusively by the  
9 execution and delivery of the document in question.

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

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

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

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

23           Section 24. General Authority. The Clerk of the Board of Supervisors, the Mayor, the  
24 City Treasurer, the Director of Public Finance, the City Attorney and the Controller, or their  
25 respective designees, are each hereby authorized and directed in the name and on behalf of the

1 City to take any and all steps and to issue and deliver any and all certificates, requisitions,  
2 agreements, notices, consents, and other documents, as may be necessary to give effect to the  
3 provisions of this Resolution, including but not limited to letters of representations to any  
4 depository or depositories which they or any of them might deem necessary or appropriate in  
5 order to consummate the lawful issuance, sale and delivery of the Bonds.

6 Section 25. Amendment to Authorizing Resolution. The first paragraph of Section 9(b) of  
7 the Authorizing Resolution is hereby amended and restated to read as follows,

8 “(b) Principal. On or before June 15 in each year that any series of Bonds is outstanding,  
9 commencing June 15, 1999, the City Treasurer shall transfer from the General Fund and set  
10 aside in the Bond Account and the appropriate subaccounts therein relating to each series of the  
11 Bonds an amount which will be equal to the principal on each series of the Bonds outstanding  
12 that will become due and payable on the next succeeding June 15, including those Bonds  
13 subject to mandatory redemption on such date pursuant to the provisions of the resolution  
14 authorizing the issuance and sale of such Bonds.”

15  
16 APPROVED AS TO FORM:

17 DENNIS J. HERRERA  
18 City Attorney

19 By: Theresa Alvarez  
20 Theresa Alvarez  
21 Deputy City Attorney  
22  
23  
24  
25



# City and County of San Francisco

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

## Tails Resolution

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**File Number:** 020759

**Date Passed:**

Resolution authorizing and directing the sale of not to exceed \$6,210,000 City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2002A; 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 the official notice of sale and 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; amending Section 9(b) of the Authorizing Resolution; 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.

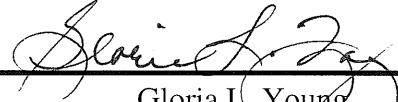
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June 3, 2002 Board of Supervisors — ADOPTED

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

File No. 020759

I hereby certify that the foregoing Resolution was ADOPTED on June 3, 2002 by the Board of Supervisors of the City and County of San Francisco.

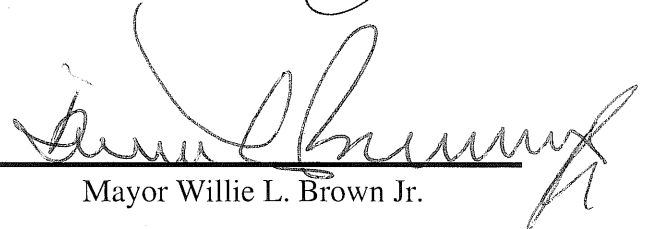


Gloria L. Young  
Clerk of the Board

JUN 14 2002

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Date Approved



Mayor Willie L. Brown Jr.