DATE: February 28, 2002
TO: Board of Trustees
FROM: Dr Philip R. Day, Jr., Chancellor

SUBJECT: GENERAL FUND

A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE SAN FRANCISCO COMMUNITY
COLLEGE DISTRICT AUTHORIZING THE
ISSUANCE AND SALE OF 2002 GENERAL
OBLIGATION BONDS (ELECTION OF 2001,
SERIES A), IN A PRINCIPAL AMOUNT NOT TO
EXCEED $40,000,000
(Resolution No.020228-B1)

WHEREAS, an election was held in the San Francisco Community College District
(the "District"), on November 6, 2001, pursuant to Proposition 39 enacted by the voters of
the State of California on November 7, 2000, and thereafter canvassed pursuant to law;

WHEREAS, at the election there was submitted to and approved by the requisite
55% vote of the qualified electors of the District the proposition of issuing bonds of the
District in the amount of $195,000,000 payable from the levy of an *ad valorem* tax against
the taxable property in the District ("Proposition A"); and

WHEREAS, pursuant to Education Code Section 15140(b), the Board of Supervisors
of the City and County of San Francisco (the “Board of Supervisors”) has, by Resolution,
adopted on February 25, 2002, (the “City and County Resolution”) authorized the District to
issue and sell bonds, to be known as the “San Francisco Community College District
General Obligation Bonds (Election of 2001),” in one or more series, on its own behalf and
without further action by the Board of Supervisors or any official;

WHEREAS, this Board desires to issue the first series of such bonds, being the San
Francisco Community College District 2002 General Obligation Bonds (Election of 2001,
Series A) (the “Bonds”), in the aggregate principal amount not to exceed $40,000,000; and

BOARD OF TRUSTEES
RODEL E. RODIS, PRESIDENT  •  JOHNNIE L. CARTER, JR., VICE PRESIDENT  •  DR. NATALIE BERG
DR. ANITA GRIER  •  MILTON MARKS III  •  JULIO J. RAMOS  •  LAWRENCE WONG  •  TONI HINES, STUDENT TRUSTEE
DR. PHILIP R. DAY, JR., CHANCELLOR

Error! Unknown document property name.
WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of bonds of the District, and the indebtedness of the District, including the Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN FRANCISCO COMMUNITY COLLEGE DISTRICT, AS FOLLOWS:

Certain Definitions. As used in this Resolution, the terms set forth below have the following meanings:

“Bond Insurer” means any insurance company that issues a municipal bond insurance policy insuring the payment of principal of and interest on the Bonds.

“Bond Payment Date” means June 15 and December 15 of each year, commencing December 15, 2002 (unless otherwise provided in the Purchase Contract, as defined below).

“Bond Register” shall mean the registration books for the Bonds maintained by the Bond Registrar.

“Bond Registrar” initially means the Treasurer of the City and County of San Francisco.

“Depository” means the securities depository acting as Depository pursuant to Section 3(c) hereof.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

“Informational Services” means Bloomberg Municipal Repositories; DPC Data Inc.; Muller Data; and Standard & Poor’s J.J. Kenny Repository.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 3(c) hereof.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

“Outstanding” when used as of any particular time with reference to the Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Paying Agent except (a) Bonds theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Bonds with respect to which all liability of the District shall have been discharged; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been
authenticated and delivered by the Paying Agent; and (d) Bonds that have become
due (at maturity, on redemption or otherwise) and for the payment of which sufficient
moneys, including interest accrued to the due date, are held by the Paying Agent.

“Owner” or “Bond Owner” or “Holder,” whenever used herein with
respect to a Bond, means the person in whose name the ownership of such Bond is
registered on the Bond Register.

“Paying Agent” initially means the Treasurer of the City and County of
San Francisco.

“Record Date” means the close of business on the 1st day of the
calendar month of each Bond Payment Date.

“Securities Depositories” means The Depository Trust Company, 711
Stewart Avenue, Garden City, New York 11530, Facsimile transmission:
(516) 227-4039, (516) 227-4190 with Cede & Co. as its nominee;

Purpose of the Bonds. Certain proceeds of the Bonds will be applied to
prepay, on a current basis, certain outstanding obligations of the District and to pay for
some or all of the seismic retrofitting of the campus facility at 1400 Evans, construction of
new classroom/laboratory facilities to replace outdated, unhealthy, and unsafe bungalows
at the Phelan Campus, completion of the district-wide computer technology network,
construction of a new academic facility to provide for expanded childcare services and
training opportunities in the areas of Child Development, Community Health Care, and
Teacher Training at the Phelan Campus, renovation and remodeling of all district-owned
facilities including safety issues, building systems, building surfaces, and configurations,
and improved access for the disabled at all District-owned facilities, acquisition of a parcel
for inclusion within the Phelan Campus, construction of new campus facilities for the
Mission and Chinatown/North Beach neighborhoods to replace outdated and leased
facilities, construction of a Community Health and Wellness Center and Community
Cultural Performing and Media Arts facility at the Phelan Campus, and improvements in the
infrastructure of the Balboa Reservoir to prepare it for College use and thereby relieve
crowded and outdated facilities at the Phelan campus as further described in the General
Obligation Bond Project Report available from the District, and to pay all necessary legal,
financial, engineering and contingent costs in connection therewith, this Board hereby
authorizes the issuance and sale of the Bonds. The Bonds shall be issued, pursuant to
Title 1, Division 1, Part 10, Chapter 1, Article 3 (commencing at Section 15140) of the
Education Code, in an aggregate principal amount not to exceed $40,000,000.

SECTION 1. Terms of the Bonds.
Denomination, Dated Dates, Interest. The Bonds shall be issued as Bonds registered as to both principal and interest, in denominations of $5,000 each or any integral multiple thereof.

Each Bond shall be dated March 15, 2002 (unless otherwise provided in the Purchase Contract) and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date next preceding a Bond Payment Date to such Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before December 1, 2002 in which event it shall bear interest from March 15, 2002 (unless otherwise provided in the Purchase Contract).

The Bonds shall mature not more than 25 years from their date, and shall bear interest at a rate or rates not to exceed 12% per annum, but, in any event, not to exceed an overall maximum true interest cost of 6%. Interest shall be payable on the respective Bond Payment Dates.

Redemption.

Optional Redemption. The Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District as set forth in the Purchase Contract and in the Bonds. The Purchase Contract may provide that the Bonds or any portions thereof are not subject to optional redemption.

Mandatory Sinking Fund Redemption. The Bonds may be subject to mandatory sinking fund redemption prior to their stated maturity dates from monies in the Series A Debt Service Fund established in Section 9 hereof, as set forth in the Purchase Contract.

Notice of Redemption. When redemption is authorized or required pursuant to Section 3(b) (i) or (ii) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) that are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond, or portion thereof being redeemed, the Redemption Price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue.

The Paying Agent shall take the following actions with respect to the Redemption Notice:

At least 30 but not more than 60 days prior to the redemption date, the Redemption Notice shall be given to
the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(A) At least 30 but not more than 60 days prior to the redemption date, the Redemption Notice shall be given by first class mail, postage prepaid, to each of the Securities Depositories.

(B) At least 30 but not more than 60 days prior to the redemption date, the Redemption Notice shall be given by first class mail, postage prepaid, to at least two of the Informational Services.

(C) As may further be required in accordance with the Continuing Disclosure Certificate of the District described in Section 18 hereof.

Failure to receive or failure to publish any Redemption Notice, or any defect in any such Redemption Notice so given, shall not affect the sufficiency of the proceedings for the redemption of the Bonds.

(ii) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. Notice having been given as aforesaid, and the monies for the redemption (including the interest to the applicable date of redemption) having been set aside in the Series A Debt Service Fund (defined below), the Bonds to be redeemed shall become due and payable on such redemption date.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 3(b)(i) hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 3 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Bond Registrar.

(iii) Bonds No Longer Outstanding. When any Bonds (or portions thereof), that have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient monies shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this
Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry System.

The Bonds shall be initially registered in the name of “Cede & Co.,” as nominee of DTC, and shall be initially issued as one Bond for each of the maturities of the Bonds in the principal amounts set forth in Section 3(a) (as the case may be), and DTC is hereby appointed depository for the Bonds, and registered ownership of the Bonds may not thereafter be transferred except as provided in this Section 3(c).

Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(A) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (B) of this section (a “substitute depository”); provided, that any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(B) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

In the case of any transfer pursuant to clause (A) or clause (B) of subsection (ii) hereof, upon receipt of the Bonds by the Paying Agent, together with a Written Request of the District to the Paying Agent (hereinafter “Written Request of the District”), a new Bond for each maturity shall be executed and delivered in the aggregate principal amount then Outstanding (as the case may be) registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Written Request of the District. In the case of any transfer pursuant to clause (C) of subsection (ii) hereof, upon receipt of the Outstanding Bonds by the Paying Agent together with a Written Request of the District, new Bonds shall be executed and delivered in such principal amounts, numbered in the manner determined by the Paying Agent and registered in the names of such persons as are requested in such Written Request of the District, subject to the limitations of this Section 3(c) and date of receipt of such a Written Request of the District, and thereafter, Bonds shall be transferred pursuant to Section 5 hereof; provided, that the Paying Agent shall not be required to deliver such new Bonds within a period less than sixty (60) days.

The Paying Agent and Bond Registrar shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Resolution and...
applicable laws, notwithstanding any notice to the contrary received by the District; and the
District and the Paying Agent shall have no responsibility for transmitting payments to,
communicating with, notifying, or otherwise dealing with any beneficial owners of the
Bonds. The District and the Paying Agent shall have no responsibility or obligation, legal or
otherwise, to the beneficial owners or to any other party including DTC or its successor (or
substitute depository or its successor), except for the Owner of any Bonds.

(iv) So long as the Outstanding Bonds are registered in the name of
Cede & Co. or its registered assigns, the District and the Bond Registrar shall cooperate
with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the
principal of and interest on the Bonds by arranging for payment in such manner that funds
for such payments are properly identified and are made immediately available on the date
they are due.

Sale of Bonds; Bond Purchase Contract. Bank of America Securities LLC
and the Chapman Company, an MBE are hereby designated to serve as underwriters for
the Bonds (the “Underwriters”). The Bonds shall be sold at a negotiated sale pursuant to a
Bond Purchase Contract (the “Purchase Contract”) by and between the District and the
Underwriters. The District will retain the services of Kitahata & Company as a pricing
advisor with respect to the sale of the Bonds to the Underwriters.

The form of the Purchase Contract, substantially in the form heretofore considered
by this Board and on file with the Secretary of this Board, is hereby approved and the
Chancellor or Vice Chancellor for Finance and Administration, is authorized to execute and
deliver the Purchase Contract on behalf of this District, but with such changes therein,
deletions therefrom and modifications thereto as the Chancellor or Vice Chancellor for
Finance and Administration may approve, such approval to be conclusively evidenced by
his or her execution and delivery thereof; provided, however, that the average interest rate
on the Bonds shall not exceed twelve percent (12%) per annum (but, in any event, not to
exceed a maximum true interest cost of 6%). The Chancellor or Vice Chancellor for
Finance and Administration, is further authorized to determine the principal amount of the
Bonds to be sold pursuant to the Purchase Contract, up to the aggregate principal amount
of $40,000,000.

Bond Registrar and Paying Agent; Authentication, Transfer and Exchange.
This Board does hereby authorize the Chancellor or Vice Chancellor for Finance and
Administration to appoint a Bond Registrar and Paying Agent for the Bonds provided that
the initial Bond Registrar and Paying Agent shall be the Treasurer of the City and County of
San Francisco (the “City and County”).

So long as any of the Bonds remain Outstanding, the District will cause the Bond
Registrar to maintain and keep at its principal office all books and records necessary for the
registration, exchange and transfer of the Bonds as provided in this Section. The person in
whose name a Bond is registered on the Bond Register shall be regarded as the Owner of
that Bond for all purposes of this Resolution. Payment of or on account of the principal and
interest on any Bond shall be made only to or upon the order of the Owner; neither the
District nor the Bond Registrar shall be affected by any notice to the contrary, but the
registration may be changed as provided in this Section. All such payments shall be valid.
and effectual to satisfy and discharge the District’s liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor and maturity upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Bond Registrar together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of like tenor and maturity and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the District are required for an exchange or transfer, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the authorized officers of the District shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Bond Registrar. Written reports of any surrender and cancellation of Bonds shall be made to the District by the Bond Registrar at least twice each calendar year. The cancelled Bonds shall be retained for a period of time and then returned to the District or destroyed by the Bond Registrar as directed by the District.

Neither the District nor the Bond Registrar will be required to transfer or exchange any Bonds (a) during the period from the Record Date next preceding any Bond Payment Date to such Bond Payment Date, (b) during the period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given, or (c) that have been selected or called for redemption in whole or in part.

Payment. Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the Bond Register as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by
check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such Bond Register or at such other address as he or she may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner of Bonds in an aggregate principal amount of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest on such Bonds by wire transfer to the bank in the continental United States and account number on file with the Bond Registrar as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, principal and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof.

Form of Bonds. The City and County, pursuant to the City and County Resolution, has directed the District to specify the form of the Bonds. The Bonds shall be in substantially the form set forth as Exhibit A hereto, allowing the District and those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and to the Purchase Contract.

SECTION 2. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed by the authorized officers of the District and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriters upon payment of the purchase price therefor.

Deposit of Proceeds of Bonds. The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, shall be paid to the Paying Agent to the credit of the fund hereby created and established to be known as the “San Francisco Community College District General Obligation Bonds (Election of 2000) Series A Building Fund” (the “Series A Building Fund”), and shall be kept separate and distinct from all other funds of the City and County. The proceeds shall be used solely for the purpose for which the Bonds are being issued and such proceeds shall be applied solely for such authorized purposes. The accrued interest and any purchase premium received by the District from the sale of the Bonds shall be kept separate and apart in a fund hereby created and established and to be designated as the “San Francisco Community College District General Obligation Bonds (Election of 2000) Series A Debt Service Fund” (the “Series A Debt Service Fund”) and used only for payments of principal and interest on the Bonds. Any excess proceeds of the Bonds deposited in the Series A Building Fund and not needed for the authorized purposes set forth herein for which the Bonds are being issued, shall, upon written instructions from the District, be transferred to the Series A Debt Service Fund and applied to the payment of principal and interest on the Bonds. If, after payment in full of the Bonds, there remain excess monies in the Series A Debt Service Fund, such amounts shall be transferred to the general fund of the District in accordance with Section 10 hereof.

Except to the extent the District determines to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the “Code”), from the
Series A Debt Service Fund or the Series A Building Fund, interest earned on the investment of monies held in the Series A Debt Service Fund shall be retained in the Series A Debt Service Fund and used to pay principal of and interest on the Bonds when due, and interest earned on the investment of monies held in the Series A Building Fund shall be retained in the Series A Building Fund.

Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which monies when collected will be placed in the Series A Debt Service Fund, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due; provided, however, that when all of the principal of and interest on all of the Bonds have been paid, any balance then remaining in the Series A Debt Service Fund shall be transferred to the general fund of the District as allowed by law.

Tax Covenants.

General. The District hereby covenants with the holders of the Bonds that, notwithstanding any other provisions of this Resolution, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code. The District shall not, directly or indirectly, use or permit the use of proceeds of the Bonds or any of the property financed or refinanced with proceeds of the Bonds, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code), in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Bonds.

Use of Proceeds. The District shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Bonds or any of the property financed or refinanced with proceeds of the Bonds, or any portion thereof, or any other funds of the District, that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code. To that end, so long as any Bonds are Outstanding, the District, with respect to such proceeds and property and such other funds, will comply with applicable requirements of the Code and all Treasury Regulations promulgated thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended (the “1954 Code”), to the extent such requirements are, at the time, applicable and in effect. The District shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code (or, if applicable, the 1954 Code) and the continued qualification of the Bonds as “governmental bonds.”
Arbitrage. The District shall not, directly or indirectly, use or permit the use of any proceeds of any Bonds, or of any property financed or refinanced thereby, or other funds of the District, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all Treasury Regulations promulgated thereunder to the extent such requirements are, at the time, in effect and applicable to the Bonds.

Federal Guarantee. The District shall not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this Section 11, the District will comply with the provisions of the tax certificate of the District with respect to the Bonds (the “Tax Certificate”), which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Bonds.

Insurance. In the event that bond insurance is purchased for the Bonds, and to the extent that the Bond Insurer makes payment of the principal or of interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of principal of or interest on the Bonds, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest payments, the District directs the Bond Registrar to note the Bond Insurer’s rights as subrogee on the Bond Register upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the District directs the Bond Registrar to note the Bond Insurer as subrogee on the Bond Register upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer, all as provided in the Insurance Policy.

Rebate Fund.

There shall be created and established with the Paying Agent a special fund designated the “Series A San Francisco Community College District Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the “Rebate Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 11 hereof.

Within 45 days before the end of every fifth Bond Year (as such term is defined in the Tax Certificate), (i) the District shall calculate or cause to be calculated with respect to the Bonds the “rebate amount” within the meaning of Section 1.148-3...
of the Rebate Regulations, using as the “computation date” for this purpose the end of such five-year period, and (ii) the District shall direct the Paying Agent to deposit to the Rebate Fund from deposits from the District or from amounts on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the “rebate amount” within the meaning of this subsection (b), with respect to all or a portion of the proceeds of the Bonds (i) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception of the Rebate Requirement pursuant to whichever of said sections is applicable, (ii) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a 1½% penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (iii) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.”

If there are any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (ii) of subsection (d) of this Section, or provision made therefor satisfactory to the Paying Agent, including accrued interest and payment of any applicable fees to the Paying Agent, the District shall direct the Paying Agent to withdraw such amounts and remit such amounts to the District.

Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall direct the Paying Agent to pay to the United States, from amounts on deposit in the Rebate Fund,

(i) Not later than 60 days after the end of (A) the fifth Bond Year, and (B) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(ii) Not later than 60 days after the retirement of all Bonds, an amount equal to 100% of the “rebate amount” calculated as such retirement date (and any income attributable to rebatable arbitrage determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.
In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the Paying Agent in a Written Request of the District to deposit an amount received from the District equal to such deficiency into the Rebate Fund prior to the time such payment is due.

Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T.

In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District shall direct the Paying Agent to withdraw the excess from the Rebate Fund and credit such excess to the Series A Debt Service Fund.

The District shall retain records of all determinations made hereunder until six years after the retirement of the final Bond outstanding.

Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

Defeasance. All or any portion of the Outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

Cash: by irrevocably depositing with the Paying Agent or an escrow holder acceptable to the District and the Paying Agent an amount of cash that together with amounts then on deposit in the Series A Debt Service Fund is sufficient to pay all of the Bonds Outstanding and designated for defeasance, including all principal, interest and redemption premium, if any; or

United States Obligations: by irrevocably depositing with the Paying Agent or an escrow holder acceptable to the District and the Paying Agent noncallable United States Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Series A Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all of the Bonds Outstanding and designated for defeasance (including all principal thereof and interest and redemption premiums, if any, thereon) at or before their maturity date;

then, notwithstanding that any such designated Bonds shall not have been surrendered for payment, all obligations of the District and the City and County with respect to all of such designated Outstanding Bonds shall cease and terminate, except only the obligation of the
Paying Agent, the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, “United States Obligations” means:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at the highest possible rating category by either Moody’s Investors Service or Fitch.

Legislative Determinations. This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are hereby pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Official Statement. The form of official statement in preliminary form (the “Preliminary Official Statement”) relating to the Bonds, presented to this meeting and on file with the Secretary of this Board, is hereby approved. The Preliminary Official Statement in substantially such form, with such changes as the Chancellor or the Vice Chancellor for Finance and Administration may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, shall hereinafter be referred to as the “Official Statement.” The Chancellor or the Vice Chancellor for Finance and Administration are hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver to the Underwriters the Official Statement, and to certify that the Preliminary Official Statement, is as of its date, “deemed final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be
interested in the purchase of the Bonds, and is further directed to deliver copies of the Official Statement to all actual purchasers of the Bonds.

**Authorized Actions.** Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to, and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

**Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate to be executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

**Proceeds of Bonds.** Proceeds of the Bonds held by the Treasurer-Tax Collector of City and County shall be initially invested at her discretion pursuant to law and the City and County’s investment policy in its Investment Pool.

After issuance of the Bonds and subject to federal tax restrictions, monies in the funds created hereunder may, and upon written directions from the District shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the “Government Code”), or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code that invests exclusively in investments permitted by Section 53635 of the Government Code.

**All Actions.** All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the officers of the District are hereby authorized and directed, for and in the name and on behalf of this District, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described herein, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with, and to carry out the intent of, this Resolution.

**Resolution and Series A Debt Service Fund Schedule be Delivered to Treasurer-Tax Collector.** The Secretary of this Board is directed to provide a certified copy of this Resolution, and a copy of the debt service schedule, to the Controller and Treasurer-Tax Collector of the City and County, with a request that the tax be levied and collected pursuant to Section 15250 of the Education Code.

The Secretary of this Board is also directed to provide a certified copy of this Resolution, and a copy of the debt service schedule, to the San Francisco Unified School
Section 3. Citizen’s Oversight Committee. This Board certifies that it shall establish and appoint an independent citizens’ oversight committee pursuant to Section 15274 of the Education Code, to inform the public concerning the expenditure of proceeds of the Bonds by the dated specified in such Section 15274.

Section 4. Bond Accountability Reports. This Board certifies that it will conduct an annual, independent performance audit to ensure that the funds approved by the voters have been expended only for the purposes authorized by Proposition A. This Board further certifies it will conduct an annual, independent financial audit of the proceeds from the sale of the Bonds (for which a separate account or accounts shall be created) until all of the proceeds of the Bonds have been expended for such authorized school facilities projects in accordance with Section 1(b) of Article XIII A of the California Constitution, Section 15264 et seq. of the Education Code and Section 53410 of the Government Code.
ORIGINATOR: Peter Goldstein, Vice Chancellor for Finance and Administration.

PASSED AND ADOPTED, this 28th day of February, 2002, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

________________________________________________________________________

President
Board of Trustees
San Francisco Community College District
EXHIBIT A
(Form of Bond)

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
2002 GENERAL OBLIGATION BONDS
(ELECTION OF 2001, SERIES A)

INTEREST RATE: ___% per annum
MATURE DATE: March 15, 2002
DATED AS OF: March 15, 2002
CUSIP NO:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The San Francisco Community College District (the “District”), in the City and County of San Francisco, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on June 15 and December 15 of each year (the “Bond Payment Dates”), commencing December 15, 2002. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the close of business on the 1st day of the calendar month of any Bond Payment Date (the “Record Date”) to such Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before December 1, in which event it shall bear interest from March 15. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the “Registered Owner”) on the Bond Register maintained by the Bond Registrar, initially the Treasurer-Tax Collector of the City and County of San Francisco. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Bond Register at the Record Date. The Registered Owner of Bonds in the aggregate principal amount of $1,000,000 or more may request in writing to the Paying Agent that the Registered Owner be paid interest by wire transfer to the bank in the continental United States and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of $195,000,000 of bonds designated as the “San Francisco Community College District General Obligation Bonds (Election of 2001)” approved by the requisite 55% of the electors of the District cast at an election held on November 6, 2001, for the purpose of raising money to pay for the seismic retrofitting of the campus facility at 1400 Evans, construction of new classroom/laboratory facilities to replace outdated, unhealthy, and unsafe bungalows at the Phelan Campus, completion of the district-wide computer technology network, construction of a new academic facility to provide for expanded childcare services and training opportunities in the areas of Child Development, Community Health Care, and Teacher Training at the Phelan Campus, renovation and remodeling of all district-owned facilities including safety issues,
building systems, building surfaces, and configurations, and improved access for the disabled at all District-owned facilities, acquisition of a parcel for inclusion within the Phelan Campus, construction of new campus facilities for the Mission and Chinatown/North Beach neighborhoods to replace outdated and leased facilities, construction of a Community Health and Wellness Center and Community Cultural Performing and Media Arts facility at the Phelan Campus, and improvements in the infrastructure of the Balboa Reservoir to prepare it for College use and thereby relieve crowded and outdated facilities at the Phelan campus as further described in the General Obligation Bond Report available from the District, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

This bond is one of the first series of the bonds, designated “San Francisco Community College District 2002 General Obligation Bonds (Election of 2001, Series A)”, in the aggregate principal amount of $___________, issued pursuant to Title 1, Division 1, Part 10, Chapter 1, Article 3 (commencing at Section 15140) of the Education Code and Resolution No. ___ of the Board of Trustees of the District adopted on February 28, 2002 (the “Bond Resolution”). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

This bond is exchangeable and transferable for bonds of like tenor and maturity and in authorized denominations at the principal office of the Bond Registrar, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District nor the Bond Registrar will be required to transfer or exchange any bonds (a) during the period from the Record Date next preceding any Bond Payment Date to such Bond Payment Date, (b) during the period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given, or (c) which have been selected or called for redemption in whole or in part.

The Bonds maturing on or before __________ are not subject to redemption prior to maturity. The Bonds maturing on or after __________, are subject to optional redemption the option of the District, as a whole or in part by inverse order of maturity and by lot within each maturity, from any source of available funds, on any Bond Payment Date on or after __________, at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest represented thereby to a redemption date:
Redemption Dates
(Both Dates Inclusive)                      Redemption Prices

__________ through ___________            102%

__________ through ___________            101

__________ and thereafter               100

[The Bonds maturing on ____ are subject to mandatory sinking fund redemption as set forth below:]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Bond Registrar, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the San Francisco Community College District has caused this bond to be executed on its behalf by the President of the Board of Trustees of the District and to be countersigned by the manual or facsimile signature of the Secretary of the Board of Trustees of the District, all in their official capacities, as of the date stated above.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

By: ________________________________
     President, Board of Trustees

COUNTERSIGNED:

By: ________________________________
     Chancellor and
     Secretary, Board of Trustees
CERTIFICATE OF AUTHENTICATION
This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on ________________.

____________________________________, as Paying Agent

____________________________________
Authorized Signatory

ASSIGNMENT
For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): ______________________________ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

____________________________________
Commercial bank, trust company or member of a national securities exchange.

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: ________.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.