



1,9

DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 207  
915 I STREET  
SACRAMENTO, CA  
95814-2673

OFFICE OF THE DIRECTOR

December 15, 1992

APPROVED  
BY THE CITY COUNCIL

916-264-7110

City Council  
Sacramento, California

DEC 15 1992

ADMINISTRATION  
916-264-7100

Honorable Members in Session:

OFFICE OF THE  
CITY CLERK

FAX 916-264-5573

**SUBJECT:** LONGSHORE COURT SEWER ASSESSMENT DISTRICT NO. 92-02, (JN:3086/31AD) -  
ISSUANCE AND PURCHASE OF BONDS

#### LOCATION AND COUNCIL DISTRICT

The Longshore Court Sewer Assessment District is located just south of Bell Avenue in Council District No. 2. The district will include property on Fell Avenue, Youngs Avenue and Longshore Court. (please see attached Exhibit "A").

#### SUMMARY

This report requests that the City Council adopt the attached resolutions, which officially determine the amount of assessments that remain unpaid and authorized the issuance of bonds.

#### STAFF RECOMMENDATION

This report recommends that City Council approve the following:

1. Resolution determining assessments remaining unpaid.
2. Resolution authorizing issuance and purchase of bonds.

#### BACKGROUND INFORMATION

On October 20, 1992, Council held the hearing on the assessment district and levied the assessments. The property owners have been provided the 30 days required by law in which to pay their assessments. The City Treasurer has determined that the amount of assessments remaining unpaid is \$153,059.28 and requests authorization to issue bonds to represent those unpaid assessments.

The resolution to be adopted by the City Council will finalize the proceedings for this district by the issuance of 1915 Act Improvement Bonds.

CONTINUED  
FROM 12-15-92 (aft)  
TO 12-15-92 (evening)

### FINANCIAL CONSIDERATIONS

The funds necessary for this project will be provided by the assessment payments that were collected during the 30-day cash collection period; revenue that is forthcoming from the sale of bonds; and a contribution from the City of Sacramento. A summary of the estimated project costs are as follows

Estimated Construction Cost	\$ 99,875
Contingency	7,707
Engineering & Project Management	24,673
District Formation	7,000
Bond Costs and Administration	9,458
Share of Bell Avenue Trunk Line	14,092
Reserve Account	8,597
Bond Discount	<u>5,159</u>
<b>Total Project Cost</b>	<b>\$176,561</b>
City Contribution	(4,613)
Amount Assessed to Property Owners	<u>\$171,948</u>

The above expenditures are detailed in the amended Engineer's Report on file with the City Clerk.


### POLICY CONSIDERATIONS

The procedures under which this district has been formed are set forth in the California Streets and Highways Code, specifically Division 12 entitled "*Municipal Improvement Act of 1913*" and Division 10 entitled, "*Improvement Bond Act of 1915.*" There are no new policy issues related to this item.

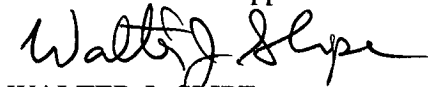
### MBE/WBE

Not applicable as related to this item.


Respectfully submitted,

  
GARY ALM  
Supervising Engineer

Recommendation Approved:

  
WALTER J. SLIPE  
City Manager

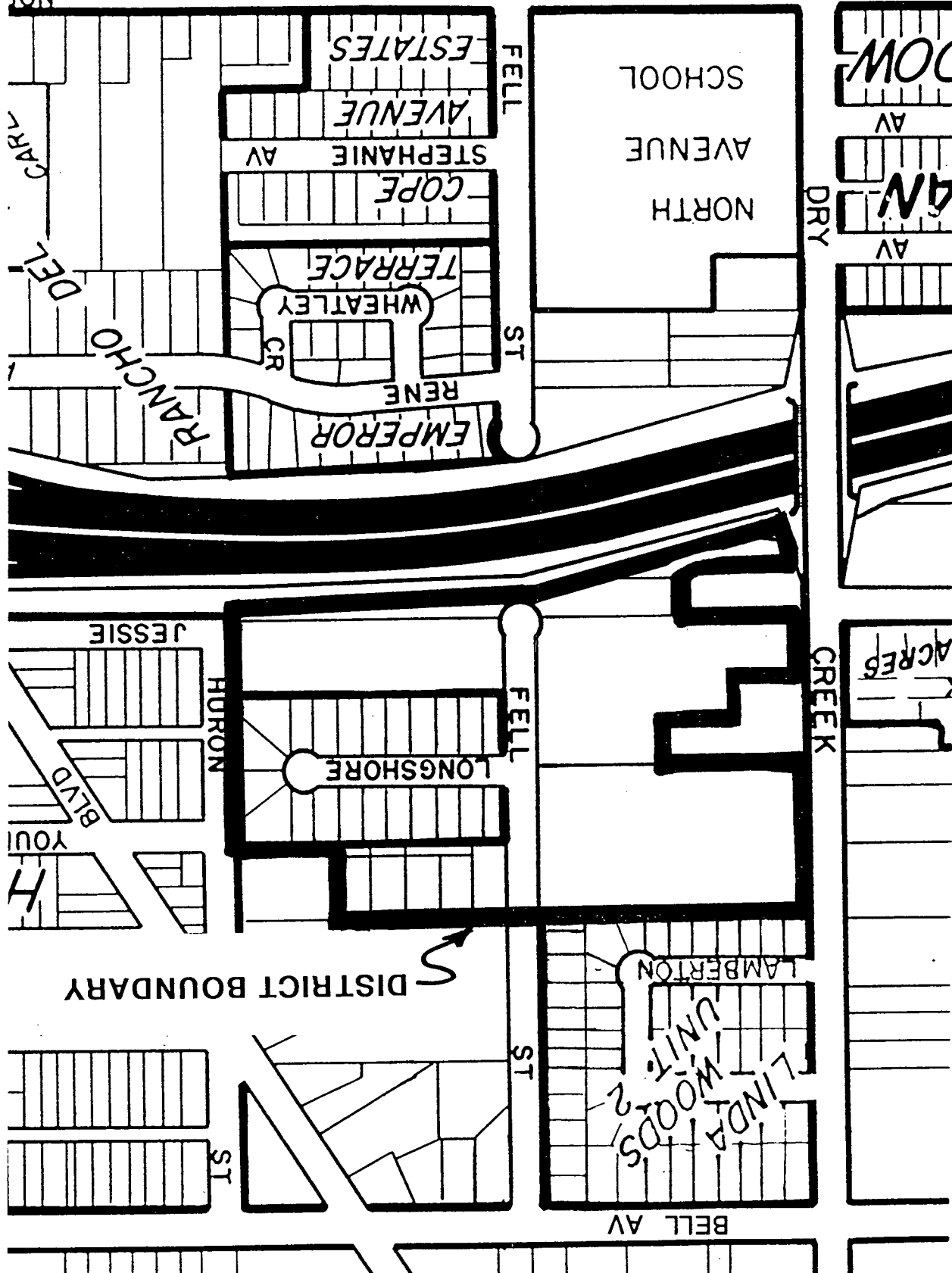
Approved:

  
JOHN E. MEDINA  
Director of Public Works

Contact for More Information:  
Karen Shipley, Special Districts Analyst  
264-5236

FOR COUNCIL MEETING OF:  
December 15, 1992

# LONGSHORE COURT SEWER ASSESSMENT DISTRICT



**LONGSHORE COURT SEWER ASSESSMENT DISTRICT 92-02 -- STATUS REPORT  
-- DISTRICT FORMATION SCHEDULE --**

- February 20, 1992 \* First Community Meeting
- March 2, 1992 \* Survey Sent to Property Owners
- March 18, 1992 \* Second Community Meeting
- May 15, 1992 \* Survey Results Received
- August 25, 1992 \* Council Adopts Resolution of Intention and Sets Hearing Date
- August 26, 1992 \* Record Boundary Map with County Recorder
- August 1992 \* Mail, Post, and Publish Notice of Hearing
- September 30, 1992 \* Receive Bids
- October 20, 1992 \* Hold Public Hearing
- \*COUNCIL CONSIDERS RESOLUTIONS TO DETERMINE PUBLIC CONVENIENCE  
AND NECESSITY, OVERRULE PROTESTS AND LEVY ASSESSMENTS (4/5  
VOTE REQUIRED**
- October 21, 1992 \* Record Assessment Diagram and Notice of Assessment with County Recorder
- \* Liens Placed on Affected Properties
- November 10, 1992 \* **COUNCIL CONSIDERS RESOLUTION AUTHORIZING APPROPRIATION  
OF FUNDS AND AWARD OF CONTRACT**
- December 15, 1992 \* **COUNCIL CONSIDERS RESOLUTION AUTHORIZING SALE OF BONDS**
- December, 1992 \* Bond Closing
- December, 1993 \* City to Receive Proceeds from Bonds
- January, 1993 \* Contractor Notice to Proceed
- April 1993 \* Estimated Completion Date for Improvements
- November 1993 \* First Assessment Billing included in 1993/94 County Property Tax Bill

APPROVED  
BY THE CITY COUNCIL

DEC 15 1992

OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 92-922

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

RESOLUTION DETERMINING ASSESSMENTS REMAINING UNPAID

LONGSHORE COURT SEWER ASSESSMENT DISTRICT NO. 92-02

The City Council of the City of Sacramento resolves:

The City Treasurer has filed a list of all payments received on account of assessments levied in Longshore Court Sewer Assessment District No. 92-02, City of Sacramento, Sacramento County, California, and a list of all assessments or portions of assessments unpaid after thirty (30) days following the recordation of the assessments.

A copy of the Paid and Unpaid List is attached to this resolution as Exhibit A and included in it. The City Council shall issue improvement bonds under the provisions of the Improvement Bond Act of 1915 of the State of California upon the security of the assessments shown as unpaid on the attached list.

The City Clerk shall transmit a copy of this resolution to the County Auditor. The County Auditor is requested to comply with the provisions of Section 8682 of the Streets and Highways Code in the collection of installments of these assessments on the assessment roll for taxes.

In the event that the amount provided for in said proceedings is insufficient to pay various costs and expenses incurred from time to time by the City and not otherwise reimbursed to the City which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, this Council will, pursuant to Section 8682.1 and subparagraph (f) of Section 10204 of the California Streets and Highways Code, provide for the levy of an annual assessment upon each of the parcels of land in the proposed assessment district to provide therefor. The City Council finds that the maximum amount of such annual assessment for the entire assessment district is \$1,300.00 and that this annual assessment will not exceed the reasonable estimate of administrative costs likely to be incurred.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 15th day of December, 1992.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

PAID AND UNPAID LIST  
OF ASSESSMENTS IN  
LONGSHORE COURT SEWER ASSESSMENT DISTRICT NO. 92-02  
CITY OF SACRAMENTO

I HEREBY CERTIFY that the attached list of Paid and Unpaid Assessments correctly reflects (1) all amounts received by me on account of assessments in Longshore Court Sewer Assessment District No. 92-02, City of Sacramento, Sacramento County, California within thirty (30) days after the assessments became due and payable and (2) all amounts remaining unpaid on each of the assessments in Longshore Court Sewer Assessment District No. 92-02.

Executed at Sacramento, California, on Nov. 30, 1992.

THOMAS P. FRIERY, City Treasurer,  
City of Sacramento,  
Sacramento County, California

By Thomas P. Friery

EXHIBIT A

PAID AND UNPAID LIST

CITY OF SACRAMENTO  
Longshore Court Sewer Assessment District No. 92-02

Assessment Number	Assessment Amount	Cash Paid	Amount Credited	Unpaid Balance
1	\$ 4,695.21	\$ 0.00	\$ 0.00	\$ 4,695.21
2	4,695.21	0.00	0.00	4,695.21
3	4,695.21	0.00	0.00	4,695.21
4	4,695.21	0.00	0.00	4,695.21
5	4,695.21	0.00	0.00	4,695.21
6	4,695.21	0.00	0.00	4,695.21
7	4,695.21	0.00	0.00	4,695.21
8	4,695.21	4,319.59	4,695.21	0.00
9	4,695.21	0.00	0.00	4,695.21
10	4,695.21	0.00	0.00	4,695.21
11	4,695.21	0.00	0.00	4,695.21
12	4,695.21	0.00	0.00	4,695.21
13	4,695.21	0.00	0.00	4,695.21
14	4,695.21	0.00	0.00	4,695.21
15	4,695.21	0.00	0.00	4,695.21
16	4,695.21	0.00	0.00	4,695.21
17	4,695.34	0.00	0.00	4,695.34
18	7,795.65	0.00	0.00	7,795.65
19	7,910.62	7,277.77	7,910.62	0.00
20	6,807.94	0.00	0.00	6,807.94
21	6,757.84	0.00	0.00	6,757.84
22	6,283.68	5,780.99	6,283.68	0.00
23	13,225.33	0.00	0.00	13,225.33
24	6,465.37	0.00	0.00	6,465.37
25	19,800.91	0.00	0.00	19,800.91
26	17,082.75	0.00	0.00	17,082.75
	=====	=====	=====	=====
	\$ 171,948.79	\$ 17,378.35	\$ 18,889.51	\$ 153,059.28

RESOLUTION NO. **92-923**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

APPROVED  
BY THE CITY COUNCIL

DEC 15 1992

OFFICE OF THE  
CITY CLERK

RESOLUTION AUTHORIZING ISSUANCE AND PURCHASE OF BONDS

LONGSHORE COURT SEWER ASSESSMENT DISTRICT NO. 92-02

The City Council of the City of Sacramento resolves:

Section 1. RECITALS. On August 25, 1992, the City Council of the City of Sacramento adopted its resolution of intention to order improvements in Longshore Court Sewer Assessment District No. 92-02, City of Sacramento, Sacramento County, California, under the provisions of the Municipal Improvement Act of 1913 (the "Act"), as amended. Proceedings taken under the Act led to the levy of a special assessment by the City Council against parcels of land within the assessment district in the total amount of \$171,948.79. These assessments were recorded in the office of the County Recorder of the County of Sacramento, and thereupon became a lien on each parcel assessed. The period within which parcel owners might pay their assessments in cash without interest expired on November 20, 1992.

Section 2. ISSUANCE OF BONDS. The City Council hereby authorizes the issuance and purchase by the City of improvement bonds under the provisions of the Improvement Bond Act of 1915 to represent unpaid assessments in an amount of \$153,059.28. Each bond shall be designated, "Limited Obligation Improvement Bond, City of Sacramento, Longshore Court Sewer Assessment District No. 92-02." Bonds shall be dated approximately the date of delivery and issued in denominations of \$1000, except for Bond No. 1, which shall be an odd amount. Bonds shall mature and shall bear interest at the rates set forth in the table attached hereto as Exhibit A.

Section 3. APPOINTMENT OF PAYING AGENT, REGISTRAR AND TRANSFER AGENT. The City Council hereby appoints the Director of Finance as paying agent, registrar and transfer agent for the bonds.

Section 4. FORM AND EXECUTION. Bonds shall be issued as fully registered bonds substantially in the form set forth as Exhibit B to this resolution. The bonds shall be signed by the

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

City Treasurer and the City Clerk and the seal of the City shall be affixed. Both signatures and seal may be reproduced on the bonds by facsimile, but upon its registration or reregistration each bond shall be authenticated by the manual signature of the registrar.

The registrar shall assign to each bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the City for inspection.

Section 5. ESTABLISHMENT OF SPECIAL FUNDS. For administering the proceeds of the sale of bonds and payment of interest and principal on the bonds, there are hereby established five funds to be known as the improvement fund, the redemption fund, the special reserve fund, the investment earnings fund and the arbitrage rebate fund, respectively, for Longshore Court Sewer Assessment District No. 92-02.

Section 5.1. IMPROVEMENT FUND. Except as provided in Section 5.3, proceeds of sale of the bonds, together with all amounts paid on the assessments before bond issuance, shall be deposited in the improvement fund to be maintained by the City Treasurer. Disbursements from the improvement fund shall be made by the City Treasurer in accordance with the budget of estimated costs and expenses set forth in the amended engineer's report heretofore approved by the City Council, which report and budget are subject to modification by the City Council from time to time as prescribed by the Act.

Section 5.2. REDEMPTION FUND. The redemption fund shall be maintained by the City Treasurer. All payments of principal and interest installments on the assessments, together with penalties, if any, shall be deposited in the redemption fund, which shall be a trust fund for the benefit of the bondholders. Payment of the bonds at maturity, or at redemption before maturity, and all interest on the bonds shall be made from the redemption fund.

Section 5.3. SPECIAL RESERVE FUND. There shall be deposited into the special reserve fund the amount of \$7,652.96 from the proceeds of the sale of bonds. That amount, less any amounts transferred to the redemption fund pursuant to Section 8884 of the Streets and Highways Code, shall constitute the "Reserve Requirement" for the bonds. The special reserve fund shall be maintained by the City Treasurer.

A. During the term of the bonds, the amount in the special reserve fund shall be available for transfer into the redemption fund in accordance with Section 8883 and 8808 of the Streets and Highways Code. The amount so advanced shall be reimbursed to the

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

special reserve fund from the proceeds of redemption or sale of the parcel for which payment of delinquent assessment installments was made from the special reserve fund.

B. If any assessment is prepaid before final maturity of the bonds, the amount of principal which the assessee is required to prepay shall be reduced by an amount which is in the same ratio to the original amount of the special reserve fund as the original amount of the prepaid assessment bears to the total amount of unpaid assessments originally securing the Bonds. This reduction in the amount of principal prepaid shall be balanced by a transfer from the special reserve fund to the redemption fund in the same amount.

C. The amount maintained in the special reserve fund will never exceed the Reserve Requirement. Proceeds of investment of the special reserve fund shall be deposited in the investment earnings fund.

D. When the amount in the special reserve fund equals or exceeds the amount required to retire the remaining unmatured bonds (whether by advance retirement or otherwise), the amount of the special reserve fund shall be transferred to the redemption fund, and the remaining installments of principal and interest not yet due from assessed property owners shall be cancelled without payment.

Section 5.4. INVESTMENT EARNINGS FUND. Proceeds of the investment of amounts in the improvement fund and the special reserve fund will be deposited in the investment earnings fund. As of September 2 of each year during the term of the bonds, the Treasurer shall determine whether any portion of investment earnings must be rebated to the United States pursuant to Section 148 of the United States Internal Revenue Code and regulations adopted thereunder. Any amounts required to be rebated will be transferred to the arbitrage rebate fund, and the balance will be transferred as follows:

(a) To the extent that the balance in the special reserve fund is less than the Reserve Requirement, a transfer will be made from the investment earnings fund to the special reserve fund.

(b) The remaining balance in the investment earnings fund, if any, will be transferred to the improvement fund until the improvement is completed and the improvement fund is closed; thereafter the balance in the investment earnings fund will be transferred to the redemption fund to be used, in the discretion of the City Treasurer, as a credit upon the annual installments of assessment or for the advance retirement of bonds.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

The City Treasurer is authorized to retain independent attorneys, accountants and other consultants to assist in complying with Federal requirements.

Section 5.5. ARBITRAGE REBATE FUND. Amounts in the arbitrage rebate fund shall be invested in the same manner as amounts in the other funds and shall be held in trust for rebate to the United States at the times required by Section 148 of the United States Internal Revenue Code and regulations adopted thereunder.

Section 6. PAYMENT ON BONDS. The principal and interest on the bonds shall be payable at the office of the Director of Finance, City Hall, 915 "I" Street, Sacramento, California 95814. Principal and interest shall be paid by check, draft or warrant mailed to the registered owner of each bond at the owner's address appearing on the register maintained by the registrar on the 15th day preceding the date of payment.

Section 7. ADVANCE RETIREMENT OF BONDS. Any Bond in the amount of \$1000, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered or certified mail or by personal service to the registered owner thereof at such owner's address as it appears on the registration books of the City and by paying principal and accrued interest together with a premium equal to three percentum of the principal.

Section 8. REREGISTRATION. Any bond may be registered to a new owner by completing the assignment certificate on the reverse of the bond and delivering the bond to the registrar. Upon reregistration, any bond may be replaced by one or more bonds of the same maturity and aggregate amount in denominations of \$1000 or any integral multiple thereof.

Section 9. COVENANTS. In the event of a default in the payment of any bond or any installment of interest thereon, bondholders shall have the remedies set forth in the Improvement Bond Act of 1915. In addition, the City Council makes the following covenants, which shall constitute a contract with the bondholders:

Section 9.1. FORECLOSURE OF LIENS. Not later than October 1 in any year, the City shall file an action in the Superior Court to foreclose the lien of each delinquent assessment if the sum of uncured assessment delinquencies for the preceding fiscal year exceeds five percent (5%) of the assessment installments posted to the tax roll for that fiscal year, and if the amount of the special reserve fund is less than the Reserve Requirement.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

Section 9.2. ARBITRAGE. During the term of the bonds, the City will make no use of bond proceeds which, if such use had been reasonably expected at the date the bonds are issued, could have caused the bonds to be "arbitrage bonds" within the meaning of Section 148 of the United States Internal Revenue Code of 1986, and regulations of the Internal Revenue Service adopted thereunder, and further shall rebate to the United States any amounts required to be rebated on account of arbitrage in accordance with the provisions of that Code and those regulations.

Section 9.3. MAINTENANCE OF TAX EXEMPTION. The City will take all reasonable actions required to maintain the status of interest on the bonds as excludable from gross income for federal income tax purposes and as exempt from the State of California personal income taxes.

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This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 15th day of December, 1992.

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Mayor

ATTEST:

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City Clerk

## EXHIBIT A

## MATURITY SCHEDULE OF BONDS

## SACRAMENTO

Longshore Court Sewer Assessment District No. 92-02

Bonds mature on September 2 in the years  
and amounts, and bear interest at the annual  
rates, set forth below.

YEAR	FACE AMOUNT	RATE(%)
1994	1,059.28	8.000
1995	6,000.00	8.000
1996	6,000.00	8.000
1997	7,000.00	8.000
1998	8,000.00	8.000
1999	8,000.00	8.000
2000	9,000.00	8.000
2001	10,000.00	8.000
2002	11,000.00	8.000
2003	12,000.00	8.000
2004	13,000.00	8.000
2005	14,000.00	8.000
2006	15,000.00	8.000
2007	16,000.00	8.000
2008	17,000.00	8.000
=====		
TOTAL:	153,059.28	

EXHIBIT B

United States of America  
State of California  
County of Sacramento

REGISTERED  
Number

REGISTERED  
\$

LIMITED OBLIGATION IMPROVEMENT BOND  
CITY OF SACRAMENTO  
LONGSHORE COURT SEWER ASSESSMENT DISTRICT NO. 92-02

INTEREST RATE

MATURITY DATE

BOND DATE

REGISTERED OWNER:

PRINCIPAL SUM:

DOLLARS

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500), of the Streets and Highways Code, (the "Act"), the City of Sacramento, County of Sacramento, State of California (the "City"), will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work and improvements more fully described in proceedings taken pursuant to Resolution of Intention No. 92-628, adopted by the City Council of the City of Sacramento on the 25th day of August, 1992, pay to the registered owner stated above or registered assigns, on the maturity date stated above, the principal sum stated above, in lawful money of the United States of America and in like manner will pay interest from the interest payment date next preceding the date on which this Bond is authenticated, unless this Bond is authenticated and registered as of an interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated and registered prior to March 2, 1994, in which event it shall bear interest from its date, until payment of such principal sum shall have been discharged, at the rate per annum stated above, payable semiannually on March 2 and September 2 in each year commencing on March 2, 1994. Both the principal hereof and redemption premium hereon are payable at the office of the Director of Finance, City of Sacramento, City Hall, 915 "I" Street, Sacramento, California, or its successor, as Paying Agent, Registrar and Transfer Agent, and the interest hereon is payable by check or draft mailed on each interest payment date to the owner hereof at the owner's address as it appears on the registration books of the City, or at such address as may have been filed with the City for that purpose, as of the fifteenth day immediately preceding each interest payment date.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.

This Bond will continue to bear interest after maturity at the rate above stated, provided, it is presented at maturity and payment thereof is refused upon the sole ground that there are not sufficient moneys in said redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This Bond shall not be entitled to any benefit under the Act or the Resolution Authorizing Issuance and Purchase of Bonds (the "Resolution of Issuance"), or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Director of Finance.

IN WITNESS WHEREOF, the City has caused this Bond to be signed in facsimile by the City Treasurer of said City and by its Clerk, and has caused its corporate seal to be reproduced in facsimile hereon all as of the 17th day of December, 1992.

CITY OF SACRAMENTO

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Treasurer

(SEAL)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within mentioned Resolution of Issuance, which has been authenticated and registered on

DIRECTOR OF FINANCE OF THE CITY OF SACRAMENTO  
as paying agent, registrar and transfer agent

By \_\_\_\_\_  
Authorized Officer

(REVERSE OF BOND)

LIMITED OBLIGATION IMPROVEMENT BOND  
CITY OF SACRAMENTO  
LONGSHORE COURT SEWER ASSESSMENT DISTRICT NO. 92-02

ADDITIONAL PROVISIONS OF THE BOND

This Bond is one of several annual series of bonds of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by the City of Sacramento under the Act and the Resolution of Issuance, for the purpose of providing means for paying for the improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of said assessments made for the payment of said improvements, and, including principal and interest, is payable exclusively out of said fund.

This Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at said office of the Director of Finance, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered bond or bonds, of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership or a trust.

The City shall not be required to make such exchange or registration of transfer of bonds during the fifteen (15) days immediately preceding any interest payment date.

The City will not obligate itself to advance available funds from the City treasury to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the City from, in its sole discretion, so advancing funds.

The City may treat the registered owner hereof as the absolute owner for all purposes, and the City shall not be affected by any notice to the contrary.

This Bond in the amount of \$1,000, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered or certified mail or by personal service to the registered owner hereof at such owner's address as it appears on the registration books of the City and by paying principal and accrued interest together with a premium equal to three percentum of the principal.

I hereby certify that the following is a correct copy of the signed legal opinion of STURGIS, NESS, BRUNSELL & SPERRY a professional corporation, Emeryville, California, on file in my office.

City Clerk