

**PROPOSITION for the acquisition of an existing
Public Utility to be submitted APRIL 20,
1915, issued in accordance with Section 9,
Chapter III, Article XI of the Charter of the
City and County of San Francisco.**

By order of

THE BOARD OF ELECTION COMMISSIONERS.

(Attest)

J. H. ZEMANSKY,

Registrar of Voters and
Secretary of the Board of Election Commissioners.

BILL NO. 3427. ORDINANCE NO. 3122 (New Series.) Calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, April 20, 1915, for the purpose of submitting to the voters of said City and County a proposition to incur a bonded debt of the City and County of San Francisco to the amount of thirty-four million five hundred thousand dollars for the acquisition of an existing public utility, to-wit, the existing property and plant of the Spring Valley Water Company, a corporation now supplying water to said City and County and its inhabitants, consisting of sources of water supply, water and water rights, distributing system, storage and distributing reservoirs, pipe lines and conduits, pumps, machinery, flumes, dams, stock on hand, meters, easements and other properties and rights owned by said company, and used by or useful to said company as a public utility, and useful to the City and County, said property and plant of said company to be owned and used by the said City and County in connection with and as a part of the system of water supply heretofore authorized by the electors of said City and County on the 14th day of January, 1910, and known as the Lake Eleanor-Tuolumne System.

WHEREAS, The Board of Supervisors, did on the 26th day of October, 1914, adopt and finally pass Ordinance No. 2969 (New Series), determining and declaring that the public interest and necessity demand the acquisition, construction and completion of a public utility, to-wit, a water supply and works to be owned and controlled by the City and County of San Francisco to furnish to said City and County and to the inhabitants thereof a sufficient supply of good, pure water for all purposes and directing the Board of Public Works to procure and place on file with the Board of Supervisors plans and estimates of the cost of the original construction and completion by the said City and County of the public utility therein named and did designate the sources of the Spring Valley Water Company as available sources for obtaining a sufficient supply of good, pure water for all purposes for the City and County of San Francisco and the inhabitants thereof to be used as a part of and in connection with the said Lake Eleanor-Tuolumne System; and

WHEREAS, The Board of Supervisors did, on the 11th day of January, 1915, adopt and finally pass Resolution No. 11445 (New Series), soliciting offers for the sale to the City and County of San Francisco of any existing public utility, to-wit, a system of water supply and works for supplying water to said City and County and its inhabitants, or any portion thereof; expressing the determination of the Board of Supervisors to consider any offers that may be made for the sale of such public utility and directing the Clerk of said Board of Supervisors to give notice that such offers were solicited and would be considered; and

binding covenants and conditions heretofore assumed by the Company with reference to such rights of way.

The Company shall convey its real property to the City and County by grant, bargain and sale deed, subject to existing leases, rights of way, obligations of the Company which are assumed by the City and County, and the lien for taxes for the current fiscal year. Nothing herein being intended to conflict with the prorating of taxes as hereinafter provided.

2nd: Wherever, because of the retention of certain lands by the Spring Valley Water Company, or wherever, by reason of the fact that the City and County purchases only portions of the land held by the Spring Valley Water Company, rights of way to either party are necessary over the lands of the other, such rights of way are to be given:

3rd: Taxes on property purchased by the City and County are to be prorated as of date of conveyance. Lands taken over by the City and County which are subject to Twin Peaks Tunnel Assessment are to be taken subject to such assessment, and the amount which the Company has paid or shall pay on account of such assessment on the lands taken by the City and County shall be deemed a capital expenditure for which the Company is to be reimbursed under the conditions of paragraph 4. Accounts receivable from customers and rents on property taken are to be prorated as of date of conveyance.

4th: The City and County is to reimburse the Company for capital expenditures, other than investments in lands, rights of way, or water rights, made from and after the first day of January, 1913, up to the date of the aforementioned letter by the Company to the City Advisory Water Committee agreeing to accept the offer of the City and County therein mentioned, to-wit: July 30, 1914, with interest at the rate of six per cent per annum on each item of capital expenditure so made from the time at which it was made, such expenditures, not to exceed in amount five hundred and ninety-five thousand dollars (\$595,000), the propriety of the inclusion and the correctness of each item of expenditure for which the Company may claim the right to be reimbursed under this paragraph to be determined by City Engineer O'Shaughnessy or his successor in office and a representative of the Company, and in case they cannot agree, by a third person to be chosen by them.

5th: The City and County of San Francisco is to reimburse the Spring Valley Water Company for capital expenditures from and after said date above mentioned, to-wit: July 30, 1914, up to the time of the consummation of such purchase, together with interest at the rate of six per cent per annum on each item of expenditure so made from the time at which the same was made, such capital expenditures up to the present time having been made and incurred with the approval of the City Engineer, and hereafter to be made and incurred subject to his approval, and all work involving capital expenditures to be done subject to his approval.

6th: Judgment is to be entered in the rate suits now pending in the District Court of the United States between the Spring Valley Water Company and the City and County of San Francisco in such a way as to provide that the Company shall take but one-half of the moneys impounded therein and that the balance shall be returned to the rate-payers, and that any portion of such balance which cannot be so returned to the rate-payers shall be turned over to the City and County of San Francisco. It is at all times to be understood, however, that the provisions of this paragraph are wholly conditioned upon and in consideration of the consummation of the final purchase of the Spring Valley Water Company's properties upon the terms herein set forth.

7th: The City and County shall agree that it will, in case any bondholder of the Spring Valley Water Company refuses to receive payment of his bond, so as to enable the trustee under the deed of trust securing such bond to make reconveyance and clear the property from the lien of said bond issue, take the property subject to such lien so far as it can do so without detriment to itself, retaining, however, such portion of the purchase price as is equal to the par value plus the interest accrued on said bond, the owner of which so refuses to accept payment. The City and County will pay to the trustee of the deed of trust, as a part of the purchase price, the amount necessary to pay off at par, with accrued interest, those bonds whose owners are willing to accept such payment.

8th: The sale to the City and County of San Francisco shall be consented to by stockholders of the Spring Valley Water Company holding of record at least two-thirds of its issued capital stock, expressed in the manner specified in Section 361-a of the Civil Code of the State of California.

I, John E. Behan, Secretary of the Spring Valley Water Company, a corporation duly organized and existing under and by virtue of the laws of the State of California, do hereby certify that the foregoing resolution was duly and regularly passed and adopted at a special

Whereas, there is certain litigation pending between this company and the City and County of San Francisco, namely, an action by the City and County against this company to condemn that portion of the company's properties alleged by the City and County to be valuable for furnishing and supplying water, and actions by the company against the City and County to have declared invalid the ordinances of the Board of Supervisors of the City fixing the rates at which the company will be permitted to supply water; and

Whereas, negotiations were entered into by the representatives of the City and County and the representatives of the company looking to the settlement of such litigation, which negotiations culminated in a letter by the City Advisory Water Committee and the City Engineer, addressed to this company, under date of July 27, 1914, inquiring if this company would accept an offer for those of its properties hereinafter specified, upon the terms and conditions hereinafter set forth, to which letter this company replied under date of July 30, 1914, that it would accept such offer; and

Whereas, the City Advisory Water Committee, on the 10th day of August, 1914, reported the result of said negotiations to the Board of Supervisors of the City and County and recommended the purchase by the City and County from this company of the said properties of this company in accordance with said letters so exchanged as aforesaid, and the Board of Supervisors did, by resolution passed on September 29, 1914, approve the recommendation of the City Advisory Water Committee and direct the City Attorney to prepare such proceedings as might be necessary to carry out said recommendation; and

Whereas, the Board of Supervisors of the said City and County of San Francisco did on the 11th day of January, 1915, pass a resolution soliciting and inviting owners of a water supply and works for supplying water to the City and County of San Francisco and the inhabitants thereof to submit to said Board of Supervisors an offer, or offers, in writing, to sell such water supply and works to said City and County of San Francisco, which resolution was approved on said eleventh day of January, 1915, and a copy of which was transmitted to this company by the Clerk of said Board of Supervisors.

Now, therefore, be it Resolved, That by way of settlement and compromise of the litigation hereinbefore mentioned, pending between the City and County and this company, and in compliance with the letters exchanged between the City Advisory Water Committee and this company, as hereinbefore mentioned, this corporation offers to sell to the City and County of San Francisco, for the price of thirty-four million five hundred thousand dollars (\$34,500,000), the following described property, upon the following terms and conditions:

(a) All franchises (other than corporate franchise), all licenses, privileges and easements connected with the property purchased, or in connection with the Spring Valley Water Company's water business, and all service connections.

(b) All supplies and materials on hand owned by the Spring Valley Water Company; all vehicles of every description, horses, tools, furniture and fixtures outside of the directors' and president's offices; all maps and records relating to the plant and system hereby offered; all other similar equipment; and all other personal property appertaining to or incidental to the company's water business, or used or held for use in connection with that business or the property taken, expressly excepting, however, cash, securities and bills and accounts receivable.

(c) All property included in and covered by that certain condemnation proceeding heretofore commenced by the City and County of San Francisco against the Spring Valley Water Company on December 31, 1913, and now pending in the Superior Court of the State of California, in and for the City and County of San Francisco, except that:

1st: As to that certain tract of land included in the condemnation proceedings and known as the Nusbaumer Tract, situate in Alameda County, the City and County of San Francisco is to receive only such portion thereof as lies easterly of the center line of a private road laid down through said tract, and which has been surveyed and monumented and is delineated upon a map entitled, "Map of portion of Nusbaumer Tract to be condemned by the City and County of San Francisco E-311," embracing 118.604 acres, copy of which map has been furnished to the City Engineer of the City and County of San Francisco.

2nd: The Spring Valley Water Company is to retain title to such of the lands known as the Pleasanton lands and included in said condemnation proceedings as are located north of County Road No. 2000, in Alameda County, with the exception of the following portions thereof, which are to be conveyed to the City and County of San Francisco, viz.:

(a) A strip of land 200 feet in width, the center line of which is the line of the wells of the Spring Valley Water Company, known as the G line, and a strip of land 200 feet in width, the center line of which is the line of the wells of the Spring Valley Water Company, known as the N line, said lines of wells being the wells connected with the pumping plant of the company on the tract immediately to the north of said County Road No. 2000. Said strip,

of which the center line is the G line of wells, shall extend at each end 100 feet beyond the last well of the line; said strip, the center line of which is the N line of wells, shall extend from a point 100 feet northerly of the most northerly well of said line of wells southerly to a point 100 feet southerly of the most southerly well. Also a strip of land 25 feet wide the center line of which is the pipe line leading from the G and N lines of wells southerly to said County Road No. 2000, and which has been surveyed and monumented and is delineated upon a map entitled, "Lands to be condemned by the City and County of San Francisco on G and N lines of wells, Pleasanton, E-310," embracing 27.498 acres, copy of which map has been furnished to the City Engineer of the City and County of San Francisco.

(b) Two strips of land, one 100 feet wide and the other 50 feet wide, the 100-foot strip of land commencing at a point on the northerly boundary of the 200-foot strip heretofore mentioned which includes the G line of wells and running first northerly and then northeasterly and then easterly to the most easterly boundary of the Pleasanton properties of the Spring Valley Water Company; the 50-foot strip of land beginning at a point on the northerly right of way of the Western Pacific Railroad Company, the point of intersection of the easterly line of said 50-foot strip and the said northerly right of way line of the Western Pacific Railroad Company being northeasterly 2,496.15 feet measured along said northerly right of way line from its intersection with the center line of County Road No. 1533, and running thence north 19 minutes east to the County Road leading from Dublin to Livermore, and which has been surveyed and monumented and is delineated upon a map entitled, "Lands to be acquired by City and County of San Francisco north of County Road No. 2000, near Pleasanton, E-317," embracing 54.221 acres, copy of which map has been furnished to the City Engineer of the City and County of San Francisco.

3. The City and County of San Francisco is to have and shall be given the right to take water from the Pleasanton lands conveyed to it to the amount of, but not in excess of, 15,000,000 gallons during any one day, the said right to take such water is to be a right without hinderance or conditions of any sort, and the Spring Valley Water Company, for and on behalf of itself, its successors and assigns, shall waive any and all rights to object to, or enjoin, the taking of such water from said lands so conveyed to said City and County of San Francisco up to said 15,000,000 gallons during any one day, either upon the ground that the pumping from said wells up to said limit of 15,000,000 gallons daily on the lands so conveyed to the City and County of San Francisco lowers the subterranean water plane under the said lands retained by the Spring Valley Water Company, or drains the water from beneath the said retained lands, or upon any other ground whatsoever, whether herein specifically enumerated or otherwise. The right to take said water up to said amount of 15,000,000 gallons daily is to be a right and easement running in favor of the land purchased by the City and County of San Francisco and against the lands retained by the Spring Valley Water Company. The Spring Valley Water Company is to have the right to take water from the land retained by it for use on those lands, but not elsewhere or otherwise.

The further terms and conditions of said sale shall be:

1st: The Company shall convey to the City and County a good and sufficient title to the Company's lands and the City and County shall assume the obligations of the Company to supply water under the Company's existing contracts, a list of which has been furnished by the Company to the City and County. Subject to the provisions of paragraph seven hereof, the Company's properties are to be conveyed to the City and County free and clear of the lien of any mortgage, deed of trust, attachment, judgment, execution, mechanic's lien, or any other lien, except the lien for taxes for the current year, created or suffered by the Company or subject to which the Company bought the property. This provision, however, does not apply to lands held under option or lease by the Company, but, as to such last mentioned lands, the Company is to convey to the City and County such title as the Company has.

The term "good and sufficient title" herein shall be interpreted to mean such a title as is necessary to assure the City and County of the absolute right, in case of purchase, to take, hold and use the lands purchased without interference or hinderance, but shall not be interpreted to mean a title free and clear of trivial defects and imperfections when in fact the Company is the actual and exclusive owner of the property, or free and clear rights of way or easements appearing of record which do not prevent the use of lands for water purposes. In case there are any lands as to which a good and sufficient title as above defined, cannot be given by the Company, the value of such lands shall be deducted from the purchase price, such value to be determined by arbitration in case the same cannot be agreed upon between the City and County and the Company. As to any such lands, the Company shall be allowed a reasonable time to procure title by legal proceedings or otherwise, and, when title is so procured, the land shall be taken over by the City and County at the amount by which the purchase price was reduced by reason of the absence of such title thereto. With reference to the rights of way, the City and County is to take such title as the company has and is to perform all legal and

WHEREAS, Pursuant to the direction of Ordinance No. 2969 (New Series), said Board of Public Works did procure and on the 7th day of January, 1915, did file with the Board of Supervisors plans and estimates of cost of original construction and completion of the public utility therein named; and

WHEREAS, The Spring Valley Water Company, a corporation, appearing to be the owner of a water supply and works used to supply the City and County of San Francisco and its inhabitants with water, has by an offer in writing, offered and agreed to sell its properties in use and useful in supplying said City and County and its inhabitants with water for the sum of thirty-four million five hundred thousand dollars, which said offer has been duly considered by the Board of Supervisors; therefore

Be it ordained by the People of the City and County of San Francisco as follows:

Section 1. A special election is hereby called and ordered to be held in the City and County of San Francisco on Tuesday, the 20th day of April, 1915, for the purpose of submitting to the electors of said City and County a proposition, to-wit:

A proposition to incur a bonded debt of the City and County of San Francisco to the amount of thirty-four million five hundred thousand dollars for the acquisition of an existing public utility, to-wit, the existing property and plant of the Spring Valley Water Company, a corporation now supplying water to said City and County and its inhabitants, consisting of sources of water supply, water and water rights, distributing system, storage and distributing reservoirs, pipe lines and conduits, pumps, machinery, flumes, dams, stock on hand, meters, easements and other properties and rights owned by said company, and used by or useful to said company as a public utility, and useful to the City and County, said property and plant of said company to be owned and used by the said City and County in connection with and as a part of the system of water supply heretofore authorized by the electors of said City and County on the 14th day of January, 1910, and known as the Lake Eleanor-Tuolumne System.

Section 2. It is hereby recited that plans and estimates of cost of the acquisition, construction and completion of the public utility described in the proposition herein set forth have been procured by the Board of Public Works, through the City Engineer, and filed with the Board of Supervisors, which plans and estimates have been fully considered by the Board of Supervisors, and it is hereby declared that the estimated cost of the acquisition, construction and completion of the water supplies and works described in the proposition herein set forth, can not be paid out of the annual revenues of the City and County in addition to the other necessary expenses thereof, nor paid from taxes levied for that purpose, and will render it necessary to incur a bonded indebtedness therefor.

Section 3. It is hereby recited that on the 1st day of February, 1915, the Spring Valley Water Company, a corporation, filed with the Board of Supervisors its offer in writing to sell to the City and County of San Francisco for the sum of \$34,500,000 its water supply and works in use and useful in supplying said City and County and its inhabitants with water, which offer is in words and figures as follows:

San Francisco, February 1, 1915.

Honorable James Rolph, Jr., Mayor.

The Honorable, the Board of Supervisors of the City and County of San Francisco.

Gentlemen: The Spring Valley Water Company acknowledges receipt of Resolution No. 11445 (New Series) of the Board of Supervisors approved by the Mayor of the City and County of San Francisco, and dated January 11, 1915.

The resolution of your Board is in conformity with the Charter requirements incident to the acquisition of a public utility as applying to the purchase of the properties of this company. The resolution is the culmination of extended negotiations initiated by the city for the acquisition of the properties and works of this company and is in conformity with the recommendations of the City Advisory Water Committee and the City Engineer to the Board of Supervisors on August 10, 1914, and approved by your Board on September 29, 1914.

In response to the resolution hereinabove referred to this company herewith hands you a certified copy of resolution passed by its Board of Directors, together with a certified copy of resolution passed by the shareholders of the company approving the action of the directors. The meetings of the directors and of the shareholders at which these resolutions were passed were held this morning, February 1, 1915. The offer contained in the resolution of the company, herewith presented, is in conformity with the offer which the City proposed and which the company agreed to accept by the terms of its letter of response to the City Advisory Water Committee of July 30, 1914.

Yours truly,

SPRING VALLEY WATER COMPANY,
By (Signed) A. H. PAYSON,
Vice-President.

meeting of the Board of Directors of said corporation duly convened and held on the first day of February, 1915.

Witness my hand and the seal of this corporation this first day of February, 1915.

(Signed)

(Seal)

JOHN E. BEHAN,

Secretary.

It is hereby further recited that the foregoing resolution of the Board of Directors of the Spring Valley Water Company was ratified and confirmed by the stockholders of said company.

Section 4. The estimated cost of the original completion by the City and County of San Francisco of the public utility herein named as stated in the aforesaid estimate of the Board of Public Works is \$36,300,000, and the cost of the acquisition of said public utility by the purchase of the same from the Spring Valley Water Company is the sum or sums recited in the offer of said Spring Valley Water Company hereinbefore set forth.

Section 5. The method and manner of payment of the \$34,500,000 estimated cost of said described public utility are by the issuance of bonds of the City and County of San Francisco to the amount required therefor and the application of the proceeds arising from the sale thereof to defray the cost of the acquisition, construction and completion of said public utility described in the proposition herein set forth.

Section 6. The special election hereby called and ordered to be held shall be held and conducted, and the votes thereat received and canvassed, and the returns thereof made, and the result thereof ascertained, determined and declared as herein provided and according to the laws of the State of California providing for and governing elections in the City and County of San Francisco, and the polls for such election shall be and remain open during the time required by said laws.

The ballots to be used at said special election shall be such as may be required by law to be used thereat, and in addition to any other matter required by law to be printed thereon, shall appear thereon the following:

MUNICIPAL TICKET.

To vote for the proposition and thereby authorize the incurring of a bonded indebtedness to the amount of and for the purposes stated in such proposition stamp a cross (X) in the blank space to the right of the word "YES."

To vote against the proposition and thereby refuse to authorize the incurring of a bonded indebtedness to the amount of and for the purpose stated in such proposition, stamp a cross (X) in the blank space to the right of the word "NO."

Also said ballot shall have printed thereon the following:

A proposition to incur a bonded debt of the City and County of San Francisco to the amount of thirty-four million five hundred thousand dollars for the acquisition of an existing public utility, to-wit, the existing property and plant of the Spring Valley Water Company, a corporation now supplying water to said City and County and its inhabitants, consisting of sources of water supply, water and water rights, distributing system, storage and distributing reservoirs, pipe lines and conduits, flumes, dams, stock on hand, meters, easements and other pumps, machinery, properties and rights owned by said company, and used by said company as a public utility and useful to said City and County; said property and plant of said company to be owned and used by the said City and County in connection with and as a part of the system of water supply heretofore authorized by the electors of said City and County on the 14th day of January, 1910, and known as the Lake Eleanor-Tuolumne System. Bonds issued for such purpose shall bear interest at the rate of four and one-half per centum per annum, payable semi-annually.

YES	
NO	

Sample ballots containing the above matter required to be printed thereon, shall be supplied to the electors of said City and County by the Board of Election Commissioners, but a failure on the part of any elector to receive such sample ballot shall not be held to invalidate the election or affect in any manner the legality of any bonds that may be authorized thereat.

Section 7. Any qualified elector of the City and County of San Francisco may vote at said special election for or against the proposition herewith submitted. To vote in favor of and authorize the incurring of a bonded debt for the purpose set forth in the proposition herein he shall stamp a cross (X) in the square to the right of the word "Yes" printed opposite to such proposition, and to vote against and refuse to authorize the incurring of a bonded debt for the purpose set forth in the proposition herein stated he shall stamp a cross (X) in the square to the right of the word "No" printed opposite such proposition.

Each cross (X) stamped in the square to the right of the word "Yes" shall be counted as a vote in favor of, and to authorize, the incurring of a bonded indebtedness for the purpose

set forth in the proposition opposite to which such cross (X) is stamped; and each cross (X), stamped in the square to the right of the word "No" shall be counted as a vote not in favor of, and a refusal to authorize, the incurring of a bonded indebtedness for the purpose set forth in the proposition opposite to which such cross (X) is stamped.

The election precincts and the numbers, names and boundaries thereof for said special election, and the places of voting, and the officers to conduct such election, and all other necessary proceedings in that behalf shall be respectively defined, designated, selected, appointed and had by the Board of Election Commissioners of the City and County of San Francisco, and said Board is hereby authorized and directed to procure and provide all supplies that may be necessary to properly and lawfully conduct said special election.

When the polls are closed the officers of election shall count the ballots cast at such election, and canvass the votes cast respectively for and against the proposition herein stated and make return thereof in time, form and manner required for the counting, canvassing and returning of votes cast at other municipal elections held in the City and County of San Francisco. The Board of Election Commissioners shall as soon as the said returns and ballots have been received by said Board, canvass said returns and declare the result thereof in the manner provided by law for canvassing returns and declaring results in other elections, and shall also certify said results to the Board of Supervisors.

Section 8. If, at such special election, it shall appear that two-thirds of all the votes cast thereat were in favor of and authorized the incurring of a bonded debt for the purpose set forth in said proposition, then such proposition shall be deemed to have been accepted by the electors and bonds will be issued to defray the cost of the public utility described therein. Such bonds shall be of the form and character known as "serials." All of said bonds shall be dated October 1, 1915, shall bear interest at the rate of $4\frac{1}{2}$ per centum per annum, payable semi-annually, shall be of the denomination of one thousand dollars each, and the principal and interest thereof shall be payable in gold coin of the United States. Said bonds shall be called "Water Supply Bonds."

Bonds issued for the purpose stated in said proposition shall be numbered from 1 to 34,500, both inclusive, and shall be payable six hundred and ninety thousand dollars thereof ten years from the date of said bonds, beginning with the lowest numbers, and six hundred and ninety thousand dollars thereof of the next higher numbers on the same day in each succeeding year until all of said bonds shall be paid.

Section 9. Said bonds and coupons shall be substantially in the following form:

UNITED STATES OF AMERICA.

State of California.

City and County of San Francisco.

WATER SUPPLY BOND.

No.

\$1,000.00.

For value received, the City and County of San Francisco, a municipal corporation organized and existing under the laws of the State of California, hereby acknowledge itself indebted and promises to pay to the bearer on the first day of, 19.... one thousand dollars, with interest thereon at the rate of $4\frac{1}{2}$ per centum per annum, payable semi-annually April 1 and October 1, and on presentation and surrender of the coupons hereto attached as they respectively become due, both principal and interest being payable in gold coin of the United States at the office of the Treasurer of said City and County or at the option of the holder at the fiscal agency of said City and County of San Francisco, in the City and State of New York.

This bond is issued under and pursuant to the constitution and statutes of the State of California and the charter of said City and County of San Francisco and amendments thereto, and under and pursuant to ordinances and proceedings of said City and County duly adopted and taken and a vote and assent of more than two-thirds of all the qualified electors of said City and County voting at a special election duly and legally called and held for that purpose.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this bond, together with all other indebtedness of said City and County, does not exceed any limit prescribed by the constitution or statutes of said State or charter of said City and County, and that provision has been made as required by the constitution and statutes of said State and the charter of said City and County for the collection of an annual tax sufficient to pay the interest on this bond as it falls due, and also provision to constitute a sinking fund for the payment of the principal of this bond on or before maturity. The full faith and credit of said City and County are hereby pledged for the punctual payment of the principal and interest of this bond.

This bond may be converted into a registered bond upon presentation to the Treasurer of the City and County of San Francisco, in which event such Treasurer shall cut off and cancel the coupons of this bond, and shall sign a statement stamped, printed or written upon the back or face of the bond to the effect that this bond is registered in the name of the owner and that thereafter the interest and principal of this bond are payable to the registered owner. Thereafter and from time to time this bond may be transferred by such registered owner in person or by attorney duly authorized on presentation of this bond to the Treasurer, and the bond be again registered as before, a similar statement being stamped, printed or written thereon.

This bond is exempt from all taxation within the State of California.

IN WITNESS WHEREOF, said City and County of San Francisco has caused this bond to be executed under its corporate seal, signed by its Mayor and Treasurer, and countersigned by its Auditor, and has caused the interest coupons hereto attached to be signed with the engraved or lithographed signature of its Treasurer, and this bond to be dated the first day of October, 1915. -

.....
Mayor.
Countersigned:
.....
Auditor. Treasurer.

FORM OF COUPON.

No. \$.....
On 1, 19..., the City and County of San Francisco, California, will pay to bearer at the office of the Treasurer of said City and County, or at the option of the holder at the fiscal agency of the City and County of San Francisco, in the City and State of New York dollars (\$.....) in gold coin of the United States, being six months' interest then due on its bond dated October 1, 1915, number
.....
Treasurer.

FORM OF REGISTRATION.

San Francisco, 19...
This bond is registered pursuant to Charter of the City and County of San Francisco, State of California, in the name of and the interest and principal thereof are hereafter payable to such owner.
.....
Treasurer.

Section 10. The amount of tax levy to be made for the payment for said thirty-four million five hundred thousand dollars bonds issued under said proposition shall be the sum of one million five hundred fifty-two thousand five hundred dollars for the first ten years from the date of said bonds to pay the annual interest on said bonds, and in season to pay such interest as it becomes due, and for the eleventh year after the date of said bonds the sum of one million five hundred twenty-one thousand four hundred and fifty dollars to pay and in season to pay the interest on such of said bonds as remain outstanding after the six hundred and ninety thousand dollars thereof due ten years from their date have been paid, and for the twelfth year after the date of said bonds the sum of one million four hundred ninety thousand four hundred dollars to pay and in season to pay the interest on such of said bonds as remain outstanding after the six hundred and ninety thousand dollars thereof due eleven years from their date have been paid, and so on, a sum each year for forty-eight succeeding years until said bonds are all paid, sufficient for interest and in season to pay interest on all of said bonds outstanding, which sum for interest will diminish each year by the amount of thirty-one thousand fifty dollars by reason of the payment each year beginning ten years from date of said bonds of six hundred ninety thousand dollars of said bonds, and the sum of six hundred ninety thousand dollars each year beginning nine years from the date of said bonds to pay and in season to pay the principal of such bonds as they respectively become due, and continuing each succeeding year for forty-nine years until the principal of all of said bonds has been paid.

The purpose and intent of the foregoing tax provisions are, and it is hereby expressly provided, that at the time of levying the municipal tax, and in the manner provided for such tax levy, the Supervisors shall levy and collect annually a tax sufficient to pay the annual interest on such bonds, and also such part of the bonded indebtedness as will fall due within the succeeding fiscal year. Such taxes shall be in addition to all other taxes levied for municipal purposes, and shall be collected at the same time and in the same manner as other municipal taxes are collected.