

five feet; thence at right angles, parallel with Fifth Street, in a southerly and easterly direction one hundred feet; thence at right angles, parallel with the first mentioned bound two hundred and seventy-five feet to Fifth Street; thence along Fifth Street one hundred feet to the point beginning. Before leasing said lot of land, said Board shall advertise for a period of thirty days in two daily newspapers, in said city and county, soliciting sealed proposals for the use of said lot, either as a whole or divided into smaller plots, as the said Board of Supervisors shall determine for the best interest of the said city and county for the time mentioned. Said proposals shall be received and opened in open session of said Board of Supervisors, and the lot shall be leased to the highest responsible bidder or bidders; *provided*, that said Board shall have the right to reject any or all proposals for said lease or leases, as the public good may require; and *further provided*, that said Board shall not have authority to lease said lot on terms less than the following: For the first five years at the average price of four dollars per front foot on Market Street per month; for the second five years at the average price of six dollars per front foot on Market Street per month; for the third five years at the average price of eight dollars per front foot on Market Street per month, and for the fourth five years at the average price of ten dollars per front foot on Market Street per month. Said proposals shall state, specifically, the amount per month per front foot on Market Street that the bidder will pay for the use of said property in accordance with the terms of the advertisement of the Board of Supervisors; and if the said Board of Supervisors shall offer said property in separate plots, said bidders shall state distinctly upon which of said plots their bids are made.

SEC. 2. The money accruing from the lease of the lot mentioned in the first section of this Act shall be paid, monthly, in United States gold coin to the Board of Supervisors of the City and County of San Francisco, and shall be immediately deposited in the treasury of said city and county, and shall constitute a Special Fund to be used for the sole purpose of paying the principal and interest of the school bonds authorized to be issued under the third section of this Act; and any surplus remaining after payment of said principal and interest shall be a Special School Fund, and the Board of Supervisors is hereby authorized to expend the same for the sole purpose of purchasing school sites and erecting school houses.

SEC. 3. The Mayor, Auditor, and Treasurer of the City and County of San Francisco are hereby authorized and required to issue school bonds for school purposes from time to time, to the total sum of two hundred thousand dollars, said bonds shall be payable in twenty years from the first day of July, one thousand eight hundred and seventy-four, and shall bear interest at the rate of six per cent per annum, which interest shall be payable on the first days of July and January in the City and County of San Francisco; said bonds shall be signed by the Mayor, Auditor, and Treasurer of said city and county, and the coupons attached to said bonds shall be signed by said Treasurer.

SEC. 4. The principal and interest of the said bonds shall be payable in gold coin of the United States of America, and the faith and credit of the City and County of San Francisco are hereby pledged for the redemption of said bonds and the payment of the principal and interest in said gold coin of the United States of America, as set forth in this Act.

SEC. 5. As soon as said bonds are issued the Treasurer of said city and county is hereby authorized and empowered to sell the same to the highest bidder therefor for cash in gold coin of the United States, after having first advertised the same for four weeks in two daily newspapers in said city and county, and the proceeds thereof shall be immediately placed in the treasury of said city and county and constitute a Special School Fund, and the Board of Supervisors of the City and County of San Francisco is hereby authorized to expend the proceeds of said bonds for the sole purpose of purchasing school sites and erecting school buildings. The Mayor, Auditor, and Treasurer of said city and county are hereby authorized to reject any and all bids for said bonds as the public good may require.

SEC. 6. The principal and interest of said bonds shall be paid when due by the Treasurer of said City and County of San Francisco from the moneys received from the lease of the school lot on the corner of Market and Fifth streets in said city and county, as provided in the first and second sections of this Act; and if, at any time, through default in the payment of rent or from other cause said Special Fund shall be found insufficient to meet said interest or principal it shall become the duty of the Board of Supervisors to pay the same out of the General Fund and to levy a tax sufficient to meet the deficiency.

SEC. 7. Whenever and as often as there shall be funds in the treasury of said city and county to the credit of the Sinking Fund, provided in section two of this Act, amounting to ten thousand dollars, it shall be the duty of the Treasurer of said city and county to advertise from time to time for thirty days in two daily newspapers published in the City and County of San Francisco, for proposals to surrender said bonds upon the best terms, not exceeding their par value, and report the same to the Commissioners of the Sinking Fund, who shall immediately thereafter order paid the amount necessary to redeem the bonds so offered, and shall issue demands therefor in the usual form. The Auditor of said city and county is authorized and required to audit and the Treasurer to pay the same out of the Sinking Fund in his hands, set apart therefor; and if such proposals to surrender bonds do not equal the amount of such Sinking Fund, then the Commissioners of the Sinking Fund shall have power to loan any balance remaining thereof upon the security of any bonds of the City or the City and County of San Francisco or of the State of California or of securities of the United States, at the best rates