

1 [Authorizing the execution and delivery of certificates of participation to finance the
2 acquisition, demolition, improvement, installation, equipping, rehabilitation, construction and/or
3 reconstruction of a health care, assisted living and/or other type of continuing care facility or
4 facilities and related improvements located at 375 Laguna Honda Boulevard.]

5 **Resolution authorizing the execution and delivery of certificates of participation to**
6 **finance the acquisition, demolition, improvement, installation, equipping, rehabilitation,**
7 **construction and/or reconstruction of a health care, assisted living and/or other type of**
8 **continuing care facility or facilities and related improvements located at 375 Laguna**
9 **Honda Boulevard; approving the form of a trust agreement between the City and**
10 **County of San Francisco and a trustee (including certain indemnities contained**
11 **therein); authorizing the selection of a trustee; approving the form of a property lease**
12 **between the City and a trustee relating to 375 Laguna Honda Boulevard; approving the**
13 **form of a project lease between the City and a trustee (including certain indemnities**
14 **contained therein); approving the form of an official notice of sale and notice of**
15 **intention to sell for the certificates of participation, if sold by competitive sale;**
16 **approving the execution of a Bond Purchase Contract and authorizing the appointment**
17 **of underwriters relating to the certificates of participation, if sold by negotiated sale;**
18 **approving the form of an official statement in preliminary and final form; approving the**
19 **form of a continuing disclosure certificate; granting general authority to City officials to**
20 **take necessary actions in connection with the authorization, issuance, sale and**
21 **delivery of the Certificates; approving modifications to documents; and ratifying**
22 **previous actions taken in connection therewith.**

23 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
24 "Board of Supervisors" or the "Board") desires to finance the acquisition, demolition,
25 improvement, installation, equipping, rehabilitation, construction and/or reconstruction of a

1 health care, assisted living and/or other type of continuing care facility or facilities and related
2 improvements located at 375 Laguna Honda Boulevard (the "Project") with proceeds from the
3 sale of certificates of participation (the "Certificates"); and,

4 WHEREAS, In connection with the execution and delivery of the Certificates, the City
5 and County of San Francisco (the "City") shall enter into a property lease, a project lease and
6 a trust agreement, and certain other related documents; and,

7 WHEREAS, The Certificates may be sold by competitive sale pursuant to an official
8 notice of sale or by negotiated sale pursuant to a bond purchase contract; and, now,
9 therefore, be it

10 RESOLVED, BY THIS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF
11 SAN FRANCISCO AS FOLLOWS:

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

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

18 Section 3. File Documents. The documents presented to this Board and on file with
19 the Clerk of the Board or her designee (the "Clerk") are contained in File No.

20 080760.

21 Section 4. Approval of the Certificates. The Board hereby approves the execution
22 and delivery of the Certificates, which shall be executed and delivered in accordance with the
23 trust agreement referred to in Section 5 below (the "Trust Agreement"), as the same is finally
24 executed and delivered. The proceeds of the Certificates will be used to (i) fund the Project;
25 (ii) fund a reserve fund or reserve surety, as appropriate; (iii) fund capitalized interest; and (iv)

1 pay costs of issuance of the Certificates. The Certificates shall be designated as "City and
2 County of San Francisco Certificates of Participation, Series 2008_ (Laguna Honda Hospital
3 Project)," with such series designation or such other designation as deemed appropriate by
4 the Director of Public Finance of the City or her designee (collectively, the "Director of Public
5 Finance"). The Certificates shall have an aggregate principal amount not to exceed one
6 hundred and eight-five million dollars (\$185,000,000), with an interest rate not to exceed
7 twelve percent (12%) per annum. The Certificates shall be subject to prepayment as set forth
8 in the Trust Agreement. To the extent deemed necessary by the Director of Public Finance,
9 this Board authorizes the procurement of credit enhancement for the Certificates, including,
10 but not limited to, municipal bond insurance or a debt service reserve fund surety bond.
11 Notwithstanding Section 15 hereof, the documents authorized herein may be modified or
12 amended to permit the procurement of credit enhancement for the Certificates, to the extent
13 deemed necessary by the Director of Public Finance, upon consultation with the City Attorney.

14 Section 5. Approval of the Trust Agreement and Authorization of Selection of the
15 Trustee. The form of a trust agreement (the "Trust Agreement") between the City and a
16 trustee, as presented to this Board, a copy of which is on file with the Clerk of the Board, is
17 hereby approved. The Mayor of the City or his designee (collectively, the "Mayor") is hereby
18 authorized to execute the Trust Agreement, and the Clerk of the Board or her designee
19 (collectively, the "Clerk of the Board"), is hereby authorized to attest to and affix the seal of the
20 City on the Trust Agreement, with such changes, additions and modifications as the Mayor
21 may make or approve in accordance with Section 15 hereof. The Director of Public Finance is
22 hereby authorized to select a trustee to serve as trustee under the Trust Agreement (the
23 "Trustee").

24 Section 6. Approval of the Property Lease. The form of a property lease between
25 the City and the Trustee providing for the lease of the property located at 375 Laguna Honda

1 Boulevard (the "Property") from the City to the Trustee (the "Property Lease"), as presented to
2 this Board, for a maximum term relating to the Certificates of not to exceed forty-five (45)
3 years from the date of commencement thereof, at a total rent of \$1.00 per annum, a copy of
4 which is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby
5 authorized to execute the Property Lease, and the Clerk of the Board is hereby authorized to
6 attest to and affix the seal of the City on the Property Lease with such changes, additions and
7 modifications as the Mayor may make or approve in accordance with Section 15 hereof.

8 Section 7. Approval of the Project Lease. The form of a project lease between the
9 City and the Trustee (the "Project Lease"), providing for the financing of the Project, as
10 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
11 approved. The Mayor is hereby authorized to execute the Project Lease, and the Clerk of the
12 Board is hereby authorized to attest and to affix the seal of the City on the Project Lease with
13 such changes, additions and modifications as the Mayor may make or approve in accordance
14 with Section 15 hereof, provided however, that the maximum Base Rental (as defined in the
15 Project Lease) relating to the Certificates scheduled to be paid under the Project Lease in any
16 fiscal year shall not exceed fifteen million dollars (\$15,000,000) and the term of the Project
17 Lease shall not extend beyond 2053.

18 Section 8. Sale and Award of Certificates by Competitive Sale. In the event the
19 Director of Public Finance determines to sell the Certificates by competitive sale, the Director
20 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive
21 bids for the purchase of the Certificates, and the Controller is hereby authorized and directed
22 to award the Certificates to the bidder whose bid represents the lowest true interest cost to the
23 City, all in accordance with the procedures described in the Notice of Sale (as defined herein).

24 Section 9. Approval of Form of Official Notice of Sale. The form of an official notice
25 of sale relating to the Certificates (the "Official Notice of Sale"), as presented to this Board, a

1 copy of which is on file with the Clerk of the Board, is hereby approved. The Director of Public
2 Finance is hereby authorized to approve the distribution of an Official Notice of Sale for the
3 Certificates, with such changes, additions modifications or deletions as the Director of Public
4 Finance may approve upon consultation with the City Attorney; such approval to be
5 conclusively evidenced by the distribution of the Official Notice of Sale to potential purchasers
6 of the Certificates.

7 Section 10. Approval of Notice of Intention to Sell relating to the Certificates. The
8 form of a notice of intention to sell relating to the Certificates (the "Notice of Intention to Sell"),
9 as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
10 approved. The Director of Public Finance is hereby authorized to approve the publication of
11 the Notice of Intention to Sell relating to the Certificates, with such changes, additions,
12 modifications or deletions as the Director of Public Finance may approve upon consultation
13 with the City Attorney; such approval to be conclusively evidenced by the publication of the
14 Notice of Intention to Sell relating to the Certificates.

15 Section 11. Sale of Certificates by Negotiated Sale; Selection of Underwriters. In the
16 event the Director of Public Finance determines to sell the Certificates by negotiated sale, the
17 Director of Public Finance is hereby authorized to sell the Certificates by negotiated sale
18 pursuant to one or more bond purchase contracts, which contract(s) shall be in such form as
19 the Director of Public Finance shall determine upon consultation with the City Attorney. In
20 order to facilitate the sale of the Certificates by negotiated sale, the Director of Public Finance
21 is hereby authorized and directed to appoint one or more investment banking firms to act as
22 underwriters for the Certificates in accordance with City policies and procedures, including,
23 but not limited to, the City's policy to provide locally disadvantaged minority business
24 enterprises and women enterprises an equal opportunity to participate in the performance of
25 all City contracts.

1 Section 12. Approval of the Official Statement in Preliminary and Final Form. The
2 form of an official statement relating to the Certificates (the "Official Statement"), as presented
3 to this Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved.
4 The Director of Public Finance is hereby authorized to approve the distribution of the
5 preliminary Official Statement in substantially said form, with such changes, additions,
6 modifications or deletions as the Director of Public Finance may approve upon consultation
7 with the City Attorney; such approval to be conclusively evidenced by the distribution of the
8 preliminary Official Statement to potential purchasers of the Certificates. The Controller of the
9 City or his designee (collectively, the "Controller") is hereby authorized to cause the
10 distribution of the Preliminary Official Statement, deemed final for purposes of Rule 15c2-12 of
11 the Securities and Exchange Act of 1934, as amended, and to sign a certificate to that effect.
12 The Controller is hereby further authorized and directed to sign the Official Statement in final
13 form. The Co-Financial Advisors are hereby authorized and directed to cause to be printed
14 and mailed, or distributed electronically, to prospective bidders copies of the Preliminary
15 Official Statement and the final Official Statement.

16 Section 13. Approval of the Continuing Disclosure Certificate. The form of a
17 Continuing Disclosure Certificate of the City, as presented to this Board, a copy of which is on
18 file with the Clerk of the Board, is hereby approved. The Controller is hereby authorized to
19 execute the Continuing Disclosure Certificate, with such changes, additions, modifications or
20 deletions as the Controller may approve upon consultation with the City Attorney; such
21 approval to be conclusively evidenced by the execution and delivery of the Continuing
22 Disclosure Certificate.

23 Section 14. General Authority. The Mayor, the City Attorney, the Controller, the City
24 Administrator, the Director of Public Finance, the Clerk of the Board and other officers of the
25 City and their duly authorized deputies and agents are hereby authorized and directed, jointly

1 and severally, to take such actions and to execute and delivery such certificates, agreements,
2 requests or other documents as they may deem necessary or desirable to validate the
3 proposed financing through the execution and delivery of the Certificates, to enter into the
4 Property Lease, Project Lease and the Trust Agreement, to facilitate the execution and
5 delivery of the Certificates and, to obtain bond insurance or other credit enhancements with
6 respect to the financing of the Project and otherwise to carry out the provisions of this
7 Resolution.

8 Section 15. Modifications, Changes and Additions. The Mayor is hereby authorized
9 to approve and make such modifications, changes or additions to the Property Lease, the
10 Project Lease or the Trust Agreement, upon consultation with the City Attorney, as may be
11 necessary or desirable in the interests of the City, and which changes do not materially
12 increase the obligations of the City under the Property Lease, Project Lease or the Trust
13 Agreement. The Mayor's approval of such modifications, changes or additions shall be
14 conclusively evidenced by the execution and delivery by the Mayor and the Clerk of the Board
15 of the Property Lease, Project Lease and the Trust Agreement.

16 Section 16. Ratification of Prior Actions. All actions authorized and directed by this
17 Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board:

18 APPROVED AS TO FORM:

19
20 DENNIS J. HERRERA
City Attorney

21
22 By: Kenneth David Roux
23 KENNETH DAVID ROUX
24 Deputy City Attorney
25



City and County of San Francisco

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

Tails

Resolution

File Number: 080760

Date Passed:

Resolution authorizing the execution and delivery of certificates of participation to finance the acquisition, demolition, improvement, installation, equipping, rehabilitation, construction and/or reconstruction of a health care, assisted living and/or other type of continuing care facility or facilities and related improvements located at 375 Laguna Honda Boulevard; approving the form of a trust agreement between the City and County of San Francisco and a trustee (including certain indemnities contained therein); authorizing the selection of a trustee; approving the form of a property lease between the City and a trustee relating to 375 Laguna Honda Boulevard; approving the form of a project lease between the City and a trustee (including certain indemnities contained therein); approving the form of an official notice of sale and notice of intention to sell for the certificates of participation, if sold by competitive sale; approving the execution of a Bond Purchase Contract and authorizing the appointment of underwriters relating to the certificates of participation, if sold by negotiated sale; approving the form of an official statement in preliminary and final form; approving the form of a continuing disclosure certificate; granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of the Certificates; approving modifications to documents; and ratifying previous actions taken in connection therewith.

July 29, 2008 Board of Supervisors — ADOPTED

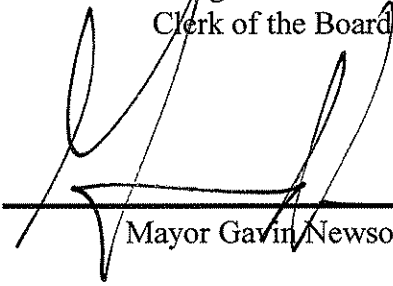
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 080760

I hereby certify that the foregoing Resolution was ADOPTED on July 29, 2008 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor Gavin Newsom

8-5-08

Date Approved