

1 [Sale of General Obligation Bonds - San Francisco General Hospital Improvement]

2
3 **Resolution Authorizing and Directing the Sale of Not to Exceed \$265,185,000 Aggregate**
4 **Principal Amount of City and County of San Francisco General Obligation Bonds,**
5 **Series 2012D; Prescribing the Form and Terms of Said Bonds; Authorizing the**
6 **Execution, Authentication, and Registration of Said Bonds; Providing for the**
7 **Appointment of Depositories and Other Agents for Said Bonds; Providing for the**
8 **Establishment of Accounts Related to Said Bonds; Providing for the Manner of Sale of**
9 **Said Bonds by Competitive Sale; Approving the Forms of Official Notice of Sale and**
10 **Notice of Intention to Sell Bonds; Directing the Publication of the Notice of Intention to**
11 **Sell Bonds; Approving the Form of the Preliminary Official Statement and the Form and**
12 **Execution of the Official Statement Relating to the Sale of Said Bonds; Approving the**
13 **Form of the Continuing Disclosure Certificate; Authorizing and Approving**
14 **Modifications to Documents; Declaring the City's Intent to Reimburse Certain**
15 **Expenditures; Ratifying Certain Actions Previously Taken; and Granting General**
16 **Authority to City Officials to Take Necessary Actions in Connection with the**
17 **Authorization, Issuance, Sale, and Delivery of Said Bonds.**

18
19 WHEREAS, In accordance with the Bond Election (as defined below) and by
20 Resolution No. 528-08 (the "Authorizing Resolution"), adopted by the Board of Supervisors
21 (the "Board") of the City and County of San Francisco (the "City") on December 16, 2008, and
22 signed by the Mayor of the City (the "Mayor") on December 19, 2008, the City authorized the
23 issuance of its General Obligation Bonds (San Francisco General Hospital Improvement
24 Bonds, 2008) (the "Bonds") in an aggregate principal amount not to exceed \$887,400,000;
25 and,

1 WHEREAS, By Resolution No. 527-08, adopted by the Board on December 16, 2008,
2 and signed by the Mayor on December 19, 2008, the City authorized the first series of Bonds
3 in an aggregate principal amount not to exceed \$136,000,000; and,

4 WHEREAS, Pursuant to Resolution 527-08, on March 18, 2009, the City issued and
5 delivered \$131,650,000 of its General Obligation Bonds (San Francisco General Hospital
6 Improvement Bonds, 2008), Series 2009A; and,

7 WHEREAS, By Resolution 46-10, adopted by the Board on February 9, 2010, and
8 signed by the Mayor on February 18, 2010, the City authorized the second series of Bonds in
9 an aggregate principal amount not to exceed \$305,000,000; and,

10 WHEREAS, Pursuant to Resolution 46-10, on March 24, 2010, the City issued and
11 delivered \$120,890,000 of its General Obligation Bonds (San Francisco General Hospital
12 Improvement Bonds, 2008), Series 2010A, and \$173,805,000 of its General Obligation Bonds
13 (San Francisco General Hospital Improvement Bonds, 2008), Series 2010C (Federally
14 Taxable Build America Bonds); and,

15 WHEREAS, The City has issued and sold, to the date hereof, a total of \$426,345,000
16 in aggregate principal amount of the Bonds; and there remains \$461,055,000 of authorized
17 and unissued Bonds; and,

18 WHEREAS, It is necessary and desirable to issue an additional aggregate principal
19 amount of the Bonds not to exceed of \$265,185,000 (the "Series 2012D Bonds"), to finance a
20 portion of the costs of the Project (as defined in the Authorizing Resolution) and to pay costs
21 of issuance therefor; and,

22 WHEREAS, The Series 2012D Bonds are being issued pursuant to the Authorizing
23 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
24 Code, the Charter of the City (the "Charter"), and a proposition approved by not less than a
25 two-thirds vote of the qualified electors of the City voting at a special election held in the City

1 on November 4, 2008 (the "Bond Election") pursuant to Ordinance 128-08 adopted by the
2 Board on July 22, 2008, and signed by the Mayor on July 24, 2008 (the "Bond Election
3 Ordinance"); and,

4 WHEREAS, The City has paid and expects to pay certain expenditures in connection
5 with the Project to be financed by the Series 2012D Bonds prior to the issuance and sale of
6 the Series 2012D Bonds, and the City intends to reimburse itself for such prior expenditures
7 from the proceeds of the Series 2012D Bonds; and,

8 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
9 Internal Revenue Code of 1986 (the "Reimbursement Regulations") requires the City to
10 declare its reasonable official intent to reimburse prior expenditures with the proceeds of a
11 subsequent borrowing; and,

12 WHEREAS, The Reimbursement Regulations require that any reimbursement
13 allocation of proceeds of the Series 2012D Bonds to be made with respect to expenditures
14 incurred prior to the issuance of the Series 2012D Bonds will occur not later than eighteen
15 (18) months after the later of (i) the date on which the expenditure is paid or (ii) the date on
16 which the facilities are placed in service, but in no event later than three (3) years after the
17 expenditure is paid;

18 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the City and
19 County of San Francisco, as follows:

20 Section 1. Recitals. All of the recitals in this Resolution are true and correct.

21 Section 2. Conditions Precedent. All conditions, things and acts required by law to
22 exist, to happen and to be performed precedent to and in connection with the issuance of the
23 Series 2012D Bonds exist, have happened and have been performed in due time, form and
24 manner in accordance with applicable law, and the City is now authorized pursuant to the
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1 Bond Election, the Charter and applicable law to incur indebtedness in the manner and form
2 provided in this Resolution.

3 Section 3. Documents. The documents presented to the Board and on file with the
4 Clerk of the Board of Supervisors or his or her designee (the "Clerk of the Board of
5 Supervisors") are contained in File No. 120532.

6 Section 4. Issuance and Sale of Series 2012D Bonds; Determination of Certain Terms;
7 Designation. The Board authorizes the issuance and sale of not to exceed \$265,185,000 in
8 aggregate principal amount of Bonds to be designated as "City and County of San Francisco
9 General Obligation Bonds, Series 2012D," for the purposes set forth in the Bond Election
10 Ordinance and Proposition A approved by the voters at the Bond Election.

11 The Director of Public Finance of the City or his or her designee (the "Director of Public
12 Finance") is authorized to determine, for the Series 2012D Bonds, the sale date, the interest
13 rates, the definitive principal amount, the maturity dates and the redemption dates, if any, and
14 the terms of any optional or mandatory redemption, subject to the other specific provisions of
15 this Resolution, including the following terms and conditions: (i) the Series 2012D Bonds shall
16 not have a true interest cost in excess of 12% (as such term is defined in the Official Notice of
17 Sale (as defined in Section 17)); and (ii) the Series 2012D Bonds shall not have a final
18 maturity date after June 15, 2040. The Director of Public Finance is further authorized to give
19 the Series 2012D Bonds such additional or other series designation, or to modify such series
20 designation, as may be necessary or appropriate to distinguish the Series 2012D Bonds from
21 every other series of Bonds and from other bonds issued by the City.

22 Section 5. Execution, Authentication and Registration of the Series 2012D Bonds.
23 Each of the Series 2012D Bonds shall be in fully registered form without coupons in
24 denominations of \$5,000 or any integral multiple of that amount. The officers of the City are
25 directed to cause the Series 2012D Bonds to be prepared in sufficient quantity for delivery to

1 or for the account of their purchaser and the Controller is directed to cause the blanks in the
2 Series 2012D Bonds to be completed in accordance with the Authorizing Resolution and the
3 Bond Award (as defined in Section 13), to procure their execution by the proper officers of the
4 City (including by facsimile signature if necessary or convenient) and authentication as
5 provided in this Section, and to deliver the Series 2012D Bonds when so executed and
6 authenticated to said purchaser in exchange for their purchase price, all in accordance with
7 the Authorizing Resolution.

8 The Series 2012D Bonds and the certificate of authentication and registration, to be
9 manually executed by the Treasurer of the City or his or her designee (the "City Treasurer"),
10 and the form of assignment to appear on the Series 2012D Bonds shall be substantially in the
11 form attached as Exhibit A (a copy of which is on file with the Clerk of the Board of
12 Supervisors and which is declared to be a part of this Resolution as if fully set forth in this
13 Resolution), with necessary or appropriate variations, omissions and insertions as permitted
14 or required by this Resolution.

15 Only Series 2012D Bonds bearing a certificate of authentication and registration
16 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
17 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City
18 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
19 Series 2012D Bonds so authenticated have been duly authenticated and delivered under, and
20 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

21 The Controller shall assign a distinctive letter, or number, or letter and number to each
22 Series 2012D Bond authenticated and registered by the City Treasurer and shall maintain a
23 record thereof which shall be available for inspection.

24 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
25 the office of the City Treasurer or at the designated office of any registrar appointed by the

1 City Treasurer, separate and sufficient books for the registration and transfer of Series 2012D
2 Bonds, which books shall at all times be open to inspection, and upon presentation for such
3 purpose, the City Treasurer shall, under such reasonable regulations as he or she may
4 prescribe, register or transfer or cause to be registered or transferred, on said books, Series
5 2012D Bonds as provided in this Resolution. The City and the City Treasurer may treat the
6 registered owner of each Series 2012D Bond as its absolute owner for all purposes, and the
7 City and the City Treasurer shall not be affected by any notice to the contrary.

8 Section 7. Transfer or Exchange of Series 2012D Bonds. Any Series 2012D Bond
9 may, in accordance with its terms, be transferred upon the books required to be kept pursuant
10 to the provisions of Section 6, by the person in whose name it is registered, in person or by
11 the duly authorized attorney of such person in writing, upon surrender of such Series 2012D
12 Bond for cancellation, accompanied by delivery of a duly executed written instrument of
13 transfer in a form approved by the City Treasurer.

14 Any Series 2012D Bond may be exchanged at the office of the City Treasurer for a like
15 aggregate principal amount of other authorized denominations of the same interest rate and
16 maturity.

17 Whenever any Series 2012D Bond shall be surrendered for transfer or exchange, the
18 designated City officials shall execute (as provided in Section 5) and the City Treasurer shall
19 authenticate and deliver a new Series 2012D Bond of the same interest rate and maturity in a
20 like aggregate principal amount. The City Treasurer shall require the payment by any bond
21 owner requesting any such transfer of any tax or other governmental charge required to be
22 paid with respect to such transfer or exchange.

23 No transfer or exchange of Series of 2012A Bonds shall be required to be made by the
24 City Treasurer during the period from the Record Date (as defined in Section 8(b)) next
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1 preceding each interest payment date to such interest payment date or after a notice of
2 redemption shall have been mailed with respect to such Series 2012D Bonds.

3 Section 8. Terms of the Series 2012D Bonds; General Redemption Provisions.

4 (a) Date of the Series 2012D Bonds. The Series 2012D Bonds shall be dated the
5 date of their delivery or such other date (the "Dated Date") as is specified in the Bond Award.

6 (b) Payment of the Series 2012D Bonds. The principal of the Series 2012D Bonds
7 shall be payable in lawful money of the United States of America to their owners, upon
8 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on
9 the Series 2012D Bonds shall be payable in like lawful money to the person whose name
10 appears on the bond registration books of the City Treasurer as the owner as of the close of
11 business on the last day of the month immediately preceding an interest payment date (the
12 "Record Date"), whether or not such day is a Business Day (as defined below).

13 Except as may be otherwise provided in connection with any book-entry only system
14 applicable to the Series 2012D Bonds, payment of the interest on any Series 2012D Bond
15 shall be made by check mailed on the interest payment date to such owner at such owner's
16 address as it appears on the registration books as of the Record Date; provided, that if any
17 interest payment date occurs on a day that banks in California or New York are closed for
18 business or the New York Stock Exchange is closed for business, then such payment shall be
19 made on the next succeeding day that banks in both California and New York are open for
20 business and the New York Stock Exchange is open for business (each, a "Business Day");
21 and provided, further, that the registered owner of an aggregate principal amount of at least
22 \$1,000,000 of Series 2012D Bonds may submit a written request to the City Treasurer on or
23 before a Record Date preceding an interest payment date for payment of interest on the next
24 succeeding interest payment date and thereafter by wire transfer to a commercial bank
25 located within the United States of America.

1 For so long as any Series 2012D Bonds are held in book-entry form by a securities
2 depository selected by the City pursuant to Section 11, payment shall be made to the
3 registered owner of the Series 2012D Bonds designated by such securities depository by wire
4 transfer of immediately available funds.

5 (c) Interest on the Series 2012D Bonds. The Series 2012D Bonds shall bear
6 interest at rates to be determined upon the sale of the Series 2012D Bonds, calculated on the
7 basis of a 360-day year comprised of twelve 30-day months, payable on December 15, 2012
8 (or such other date as may be designated in the Bond Award), and semiannually thereafter on
9 June 15 and December 15 of each year. Each Series 2012D Bond shall bear interest from the
10 interest payment date next preceding the date of its authentication unless it is authenticated
11 as of a day during the period from the Record Date next preceding any interest payment date
12 to the interest payment date, inclusive, in which event it shall bear interest from such interest
13 payment date, or unless it is authenticated on or before the first Record Date, in which event it
14 shall bear interest from the Dated Date; provided, that if, at the time of authentication of any
15 Series 2012D Bond, interest is in default on the Series 2012D Bonds, such Series 2012D
16 Bond shall bear interest from the interest payment date to which interest has previously been
17 paid or made available for payment on the Series 2012D Bonds or from the Dated Date if the
18 first interest payment is not made.

19 (d) Optional Redemption. The Series 2012D Bonds shall be subject to optional
20 redemption prior to maturity as provided in the Official Notice of Sale or the Bond Award.

21 (e) Mandatory Redemption. The Series 2012D Bonds shall be subject to
22 mandatory redemption at par, by lot, in any year in which the purchaser has designated that
23 the principal amount payable with respect to that year shall constitute a mandatory sinking
24 fund payment as permitted by the Official Notice of Sale. Any Series 2012D Bonds subject to
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1 mandatory redemption shall be designated as such in the Official Notice of Sale or the Bond
2 Award.

3 The principal of and interest on the Series 2012D Bonds subject to mandatory
4 redemption shall be paid from the Series 2012D Bond Account (as defined in Section 9),
5 pursuant to Section 9. In lieu of any such mandatory redemption for Series 2012D Bonds, at
6 any time prior to the selection of Series 2012D Bonds for mandatory redemption, the City may
7 apply amounts on deposit in the Series 2012D Bond Account to make such payment to the
8 purchase, at public or private sale, of Series 2012D Bonds subject to such mandatory
9 redemption, and when and at such prices not in excess of the principal amount thereof
10 (including sales commission and other charges but excluding accrued interest), as the City
11 may determine.

12 (f) Selection of Series 2012D Bonds for Redemption. Whenever less than all of the
13 outstanding Series 2012D Bonds are called for redemption on any date, the City Treasurer
14 will select the maturities of the Series 2012D Bonds to be redeemed in the sole discretion of
15 the City Treasurer. Whenever less than all of the outstanding Series 2012D Bonds maturing
16 on any one date are called for redemption on any one date, the City Treasurer will select the
17 Series 2012D Bonds or portions thereof, in denominations of \$5,000 or any integral multiple
18 thereof, to be redeemed from the outstanding Series 2012D Bonds maturing on such date not
19 previously selected for redemption, by lot, in any manner which the City Treasurer deems fair.

20 (g) Notice of Redemption. The date on which Series 2012D Bonds that are called
21 for redemption are to be presented for redemption is called the "Redemption Date." The City
22 Treasurer shall mail, or cause to be mailed, notice of any redemption of Series 2012D Bonds,
23 postage prepaid, to the respective registered owners at the addresses appearing on the bond
24 registration books not less than twenty (20) nor more than sixty (60) days prior to the
25 Redemption Date. The notice of redemption shall (a) state the Redemption Date; (b) state the

1 redemption price; (c) state the maturity dates of the Series 2012D Bonds to be redeemed and,
2 if less than all of any such maturity is called for redemption, the distinctive numbers of the
3 Series 2012D Bonds of such maturity to be redeemed, and in the case of any Series 2012D
4 Bonds to be redeemed in part only, the respective portions of the principal amount to be
5 redeemed; (d) state the CUSIP number, if any, of each Series 2012D Bond to be redeemed;
6 (e) require that such Series 2012D Bonds be surrendered by the owners at the office of the
7 City Treasurer or his or her agent; and (f) give notice that interest on such Series 2012D
8 Bonds or portions of Series 2012D Bonds to be redeemed will cease to accrue after the
9 Redemption Date. Notice of optional redemption may be conditional upon receipt of funds or
10 other event specified in the notice of redemption as provided in subsection (j) of this Section
11 8.

12 The actual receipt by the owner of any Series 2012D Bond of notice of such
13 redemption shall not be a condition precedent to redemption, and failure to receive such
14 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
15 for the redemption of such Series 2012D Bonds or the cessation of accrual of interest on such
16 Series 2012D Bonds on the Redemption Date.

17 Notice of redemption also shall be given, or caused to be given by the City Treasurer,
18 by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission, (iii)
19 overnight delivery service, or (iv) to the extent acceptable to the intended recipient, email or
20 similar electronic means, to (a) all organizations registered with the Securities and Exchange
21 Commission as securities depositories and (b) such other services or organizations as may be
22 required in accordance with the Continuing Disclosure Certificate described in Section 19.

23 The notice or notices required for redemption shall be given by the City Treasurer or
24 any agent appointed by the City. A certificate of the City Treasurer or such other appointed
25 agent of the City that notice of redemption has been given to the owner of any Series 2012D

1 Bond to be redeemed in accordance with this Resolution shall be conclusive against all
2 parties.

3 (h) Series 2012D Redemption Account. At the time the City Treasurer or the
4 Controller of the City or his or her designee (the "Controller") determines to optionally call and
5 redeem any of the Series 2012D Bonds, the City Treasurer or his or her agent shall establish
6 a redemption account to be described or known as the "General Obligation Bonds, Series
7 2012D Redemption Account" (the "Series 2012D Redemption Account"), and prior to or on the
8 Redemption Date there must be set aside in the Series 2012D Redemption Account moneys
9 available for the purpose and sufficient to redeem, as provided in this Resolution, the Series
10 2012D Bonds designated in said notice of redemption, subject to the provisions of subsection
11 (j) of this Section. Said moneys must be set aside in the Series 2012D Redemption Account
12 solely for the purpose of, and shall be applied on or after the Redemption Date to, payment of
13 the redemption price of the Series 2012D Bonds to be redeemed upon presentation and
14 surrender of such Series 2012D Bonds. Any interest due on or prior to the Redemption Date
15 may be paid from the Series 2012D Bond Account as provided in Section 9 or from the Series
16 2012D Redemption Account. Moneys held from time to time in the Series 2012D Redemption
17 Account shall be invested by the City Treasurer pursuant to the City's policies and guidelines
18 for investment of moneys in the General Fund of the City. If, after all of the Series 2012D
19 Bonds have been redeemed and canceled or paid and canceled, there are moneys remaining
20 in the Series 2012D Redemption Account, said moneys shall be transferred to the General
21 Fund of the City or to such other fund or account as required by applicable law; provided, that
22 if said moneys are part of the proceeds of refunding bonds, said moneys shall be transferred
23 pursuant to the resolution authorizing such refunding bonds.

24 (i) Effect of Redemption. When notice of optional redemption has been given
25 substantially as provided in this Resolution, and when the amount necessary for the

1 redemption of the Series 2012D Bonds called for redemption (principal, premium, if any, and
2 accrued interest to such Redemption Date) is set aside for that purpose in the Series 2012D
3 Redemption Account, the Series 2012D Bonds designated for redemption shall become due
4 and payable on the Redemption Date, and upon presentation and surrender of said Series
5 2012D Bonds at the place specified in the notice of redemption, such Series 2012D Bonds
6 shall be redeemed and paid at said redemption price out of said Series 2012D Redemption
7 Account. No interest will accrue on such Series 2012D Bonds called for redemption after the
8 Redemption Date and the registered owners of such Series 2012D Bonds shall look for
9 payment of such Series 2012D Bonds only to the Series 2012D Redemption Account. All
10 Series 2012D Bonds redeemed shall be canceled immediately by the City Treasurer and shall
11 not be reissued.

12 (j) Conditional Notice of Redemption; Rescission of Redemption. Any notice of
13 optional redemption given as provided in Section 8(g) may provide that such redemption is
14 conditioned upon: (i) deposit in the Series 2012D Redemption Account of sufficient moneys to
15 redeem the Series 2012D Bonds called for optional redemption on the anticipated
16 Redemption Date, or (ii) the occurrence of any other event specified in the notice of
17 redemption. If conditional notice of redemption has been given substantially as provided in
18 this subsection (j), and on the scheduled Redemption Date (i) sufficient moneys to redeem the
19 Series 2012D Bonds called for optional redemption on the Redemption Date have not been
20 deposited in the Series 2012D Redemption Account, or (ii) any other event specified in the
21 notice of redemption as a condition to the redemption has not occurred, then (y) the Series
22 2012D Bonds for which conditional notice of redemption was given shall not be redeemed on
23 the anticipated Redemption Date and shall remain Outstanding for all purposes of this
24 Resolution, and (z) the redemption not occurring shall not constitute a default under this
25 Resolution or the Authorizing Resolution.

1 The City may rescind any optional redemption and notice of it for any reason on any
2 date prior to any Redemption Date by causing written notice of the rescission to be given to
3 the owners of all Series 2012D Bonds so called for redemption. Notice of any such rescission
4 of redemption shall be given in the same manner notice of redemption was originally given.
5 The actual receipt by the owner of any Series 2012D Bond of notice of such rescission shall
6 not be a condition precedent to rescission, and failure to receive such notice or any defect in
7 such notice so mailed shall not affect the validity of the rescission.

8 Section 9. Series 2012D Bond Account. There is established with the City Treasurer a
9 special subaccount in the General Obligation Bonds (San Francisco General Hospital
10 Improvement Bonds, 2008) Bond Account (the "Bond Account") created pursuant to the
11 Authorizing Resolution to be designated the "General Obligation Bonds, Series 2012D Bond
12 Subaccount" (the "Series 2012D Bond Account"), to be held separate and apart from all other
13 accounts of the City. All interest earned on amounts on deposit in the Series 2012D Bond
14 Account shall be retained in the Series 2012D Bond Account.

15 On or prior to the date on which any payment of principal of or interest on the Series
16 2012D Bonds is due, including any Series 2012D Bonds subject to mandatory redemption on
17 said date, the City Treasurer shall allocate to and deposit in the Series 2012D Bond Account,
18 from amounts held in the Bond Account, an amount which, when added to any available
19 moneys contained in the Series 2012D Bond Account, is sufficient to pay principal of and
20 interest on the Series 2012D Bonds on such date

21 On or prior to the date on which any Series 2012D Bonds are to be redeemed at the
22 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
23 in the Series 2012D Redemption Account, from amounts held in the Bond Account pursuant
24 to Section 8 of the Authorizing Resolution, an amount which, when added to any available
25 moneys contained in the Series 2012D Redemption Account, is sufficient to pay principal,

1 interest and premium, if any, with respect to such Series 2012D Bonds on such date. The
2 City Treasurer may make such other provision for the payment of principal of and interest and
3 any redemption premium on the Series 2012D Bonds as is necessary or convenient to permit
4 the optional redemption of the Series 2012D Bonds.

5 Amounts in the Series 2012D Bond Account may be invested in any investment of the
6 City in which moneys in the General Fund of the City are invested. The City Treasurer may (i)
7 commingle any of the moneys held in the Series 2012D Bond Account with other City moneys
8 or (ii) deposit amounts credited to the Series 2012D Bond Account into a separate fund or
9 funds for investment purposes only; provided, that all of the moneys held in the Series 2012D
10 Bond Account shall be accounted for separately notwithstanding any such commingling or
11 separate deposit by the City Treasurer.

12 Section 10. Series 2012D Project Account. There is established with the City
13 Treasurer a special subaccount in the General Obligation Bonds (San Francisco General
14 Hospital Improvement Bonds, 2008) Project Account (the "Project Account") created pursuant
15 to the Authorizing Resolution to be designated the "General Obligation Bonds, Series 2012D
16 Project Subaccount" (the "Series 2012D Project Account"), to be held separate and apart from
17 all other accounts of the City. All interest earned on amounts on deposit in the Series 2012D
18 Project Account shall be retained in the Series 2012D Project Account. Amounts in the Series
19 2012D Project Account shall be expended in accordance with the provisions of the
20 Authorizing Resolution for the acquisition, construction or reconstruction of the Project (as
21 defined in the Authorizing Resolution).

22 Amounts in the Series 2012D Project Account may be invested in any investment of
23 the City in which moneys in the General Fund of the City are invested. The City Treasurer
24 may (i) commingle any of the moneys held in the Series 2012D Project Account with other
25 City moneys or (ii) deposit amounts credited to the Series 2012D Project Account into a

1 separate fund or funds for investment purposes only; provided, that all of the moneys held in
2 the Series 2012D Project Account (including interest earnings) shall be accounted for
3 separately notwithstanding any such comingling or separate deposit by the City Treasurer.

4 The City Treasurer is authorized to pay or cause to be paid from the proceeds of the
5 Series 2012D Bonds, on behalf of the City, the costs of issuance associated with the Series
6 2012D Bonds. Costs of issuance of the Series 2012D Bonds shall include, without limitation,
7 bond and financial printing expenses, mailing and publication expenses, rating agency fees,
8 the fees and expenses of paying agents, registrars, financial consultants, disclosure counsel
9 and co-bond counsel, and the reimbursement of departmental expenses in connection with
10 the issuance of the Series 2012D Bonds.

11 Section 11. Appointment of Depositories and Other Agents. The City Treasurer is
12 authorized and directed to appoint one or more depositories as he or she may deem desirable
13 and the procedures set forth in Section 6, Section 7 and Section 8 relating to registration of
14 ownership of the Series 2012D Bonds and payments and redemption notices to owners of the
15 Series 2012D Bonds may be modified to comply with the policies and procedures of such
16 depository. The City will not have any responsibility or obligation to any purchaser of a
17 beneficial ownership interest in any Series 2012D Bonds or to any participants in such a
18 depository with respect to (i) the accuracy of any records maintained by such securities
19 depository or any participant therein; (ii) any notice that is permitted or required to be given to
20 the owners of Series 2012D Bonds under this Resolution; (iii) the selection by such securities
21 depository or any participant therein of any person to receive payment in the event of a partial
22 redemption of Series 2012D Bonds; (iv) the payment by such securities depository or any
23 participant therein of any amount with respect to the principal or redemption premium, if any,
24 or interest due with respect to Series 2012D Bonds; (v) any consent given or other action
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1 taken by such securities depository as the owner of Series 2012D Bonds; or (vi) any other
2 matter.

3 The Depository Trust Company ("DTC") is appointed as depository for the Series
4 2012D Bonds. The Series 2012D Bonds shall be initially issued in book-entry form. Upon
5 initial issuance, the ownership of each Series 2012D Bond shall be registered in the bond
6 register in the name of Cede & Co., as nominee of DTC. So long as each Series 2012D Bond
7 is registered in book-entry form, each Series 2012D Bond shall be registered in the name of
8 Cede & Co. or in the name of such successor nominee as may be designated from time to
9 time by DTC or any successor as depository.

10 The City Treasurer is also authorized and directed to appoint one or more agents as he
11 or she may deem necessary or desirable. To the extent permitted by applicable law and
12 under the supervision of the City Treasurer, such agents may serve as paying agent, fiscal
13 agent, rebate calculation agent, escrow agent or registrar for the Series 2012D Bonds or may
14 assist the City Treasurer in performing any or all of such functions and such other duties as
15 the City Treasurer shall determine. Such agents shall serve under such terms and conditions
16 as the City Treasurer shall determine. The City Treasurer may remove or replace agents
17 appointed pursuant to this paragraph at any time.

18 Section 12. Defeasance Provisions. Payment of all or any portion of the Series 2012D
19 Bonds may be provided for prior to such Series 2012D Bonds' respective stated maturities by
20 irrevocably depositing with the City Treasurer (or any commercial bank or trust company
21 designated by the City Treasurer to act as escrow agent):

22 (a) An amount of cash equal to the principal amount of all of the Series 2012D
23 Bonds or portion thereof to be defeased, and all unpaid interest thereon to maturity, except
24 that in the case of any portion of the Series 2012D Bonds that is to be redeemed prior to such
25 Series 2012D Bonds' respective stated maturities and in respect of which notice of such

1 redemption shall have been given as provided in Section 8 or an irrevocable election to give
2 such notice shall have been made by the City, the amount to be deposited shall be the
3 principal amount thereof, all unpaid interest thereon to the Redemption Date, and premium, if
4 any, due on such Redemption Date; or

5 (b) Defeasance Securities (as defined below) not subject to call, except as provided
6 below in the definition of that term, maturing and paying interest at such times and in such
7 amounts, together with interest earnings and cash, if required, as will, without reinvestment,
8 as certified by an independent certified public accountant, be fully sufficient to pay the
9 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,
10 and premium, if any, due on the portion of the Series 2012D Bonds to be redeemed, as such
11 principal and interest come due; provided, that, in the case of Series 2012D Bonds that are to
12 be redeemed prior to maturity, notice of such redemption shall be given as provided in Section
13 8 or an irrevocable election to give such notice shall have been made by the City; then, all
14 obligations of the City with respect to said outstanding Series 2012D Bonds shall cease and
15 terminate, except only the obligation of the City to pay or cause to be paid from the funds
16 deposited pursuant to paragraphs (a) or (b) of this Section 12 to the owners of such Series
17 2012D Bonds all sums due with respect thereto and the obligations of the City pursuant to
18 Section 18; and provided further, that the City shall have received an opinion of nationally
19 recognized bond counsel that provision for the payment of such Series 2012D Bonds has
20 been made in accordance with this Section 12.

21 For purposes of this Section 12, "Defeasance Securities" shall mean any of the
22 following that at the time are legal investments under the laws of the State of California for the
23 moneys proposed to be invested:

24 (1) United States Obligations (as defined below); and
25

1 (2) Pre-refunded fixed interest rate municipal obligations meeting the following
2 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the
3 trustee or paying agent has been given irrevocable instructions concerning their calling and
4 redemption and the issuer has covenanted not to redeem such obligations other than as set
5 forth in such instructions; (b) the municipal obligations are secured by cash or United States
6 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in
7 the escrow fund or the Series 2012D Redemption Account) are sufficient to meet the liabilities
8 of the municipal obligations; (d) the United States Obligations serving as security for the
9 municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations
10 are not available to satisfy any other claims, including those against the trustee or escrow
11 agent; and (f) the municipal obligations are rated, without regard to any numerical modifier,
12 plus or minus sign or other modifier, at the time of original deposit to the escrow fund, by any
13 two Rating Agencies (as defined below) not lower than the rating then maintained by such
14 Rating Agencies on such United States Obligations.

15 For purposes of this Section 12, "United States Obligations" means (i) direct and
16 general obligations of the United States of America, or obligations that are unconditionally
17 guaranteed as to principal and interest by the United States of America, including without
18 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that
19 have been stripped by request to the Federal Reserve Bank of New York in book-entry form
20 or (ii) any security issued by an agency or instrumentality of the United States of America that
21 is selected by the Director of Public Finance that results in the escrow fund being rated by any
22 two Rating Agencies at the time of the initial deposit to the escrow fund and upon any
23 substitution or subsequent deposit to the escrow fund, not lower than the rating then
24 maintained by such Rating Agencies on United States Obligations described in clause (i)
25 above.

1 For purposes of this Section 12, "Rating Agencies" means Moody's Investors Service,
2 Inc., Fitch Ratings, and Standard and Poor's Rating Services, a division of The McGraw-Hill
3 Companies, Inc., or any other nationally recognized bond rating agency that is the successor
4 to any of the foregoing rating agencies or that is otherwise established after the date hereof.

5 Section 13. Official Notice of Sale; Receipt of Bids; Bond Award.

6 (a) Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids
7 for the Series 2012D Bonds (the "Official Notice of Sale") submitted to the Board is approved
8 as the Official Notice of Sale inviting bids for the Series 2012D Bonds, with such changes,
9 additions and modifications as may be made in accordance with Section 20. The Director of
10 Public Finance is authorized and directed to cause to be mailed or otherwise circulated to
11 prospective bidders for the Series 2012D Bonds copies of the Official Notice of Sale, subject
12 to such corrections, revisions or additions as may be acceptable to the Director of Public
13 Finance.

14 (b) Receipt of Bids. Bids shall be received on the date designated by the Director of
15 Public Finance pursuant to Section 4.

16 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any
17 and all bids received for any reason. The Controller is authorized to award the Series 2012D
18 Bonds to the responsible bidder whose bid (a) is timely received and conforms to the Official
19 Notice of Sale, except to the extent informalities and irregularities are waived by the City as
20 permitted by the Official Notice of Sale, and (b) represents the lowest true interest cost to the
21 City in accordance with the procedures described in the Official Notice of Sale. The award, if
22 made, shall be set forth in a certificate signed by the Controller setting forth the terms of the
23 Series 2012D Bonds and the original purchasers (the "Bond Award"). The Controller shall
24 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board of
25

1 Supervisors and the Director of Public Finance; provided, that failure to provide such copy
2 shall not affect the validity of the Bond Award.

3 Section 14. Publication of Notice of Intention to Sell Bonds. The form of proposed
4 Notice of Intention to Sell the Series 2012D Bonds (the "Notice of Intention to Sell Bonds")
5 submitted to the Board is approved as the Notice of Intention to Sell the Series 2012D Bonds,
6 and the Director of Public Finance is authorized and directed to cause the Notice of Intention
7 to Sell Bonds, subject to such corrections, revisions or additions as may be made in
8 accordance with Section 20, to be published once in The Bond Buyer or another financial
9 publication generally circulated throughout the State of California.

10 Section 15. Sale of Series 2012D Bonds; Solicitation of Competitive Bids. The Board
11 authorizes the sale of the Series 2012D Bonds by solicitation of competitive bids for the
12 purchase of the Series 2012D Bonds on the date and at the place determined in accordance
13 with the Official Notice of Sale and Section 4.

14 Section 16. Disposition of Proceeds of Sale. The proceeds of sale of the Series
15 2012D Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any,
16 shall be deposited into the Series 2012D Bond Account; (b) premium, if any, shall be
17 deposited into the Series 2012D Bond Account; and (iii) remaining proceeds of sale shall be
18 deposited into the Series 2012D Project Account.

19 Section 17. Official Statement. The form of proposed Preliminary Official Statement
20 describing the Series 2012D Bonds (the "Preliminary Official Statement") submitted to the
21 Board is hereby approved as the Preliminary Official Statement describing the Series 2012D
22 Bonds, with such additions, corrections and revisions as may be determined to be necessary
23 or desirable made in accordance with Section 20. The Controller is authorized to cause the
24 distribution of a Preliminary Official Statement deemed final for purposes of Securities and
25 Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of

1 1934, as amended (the "Rule"), and to sign a certificate to that effect. The Director of Public
2 Finance is authorized and directed to cause to be printed and mailed or electronically
3 distributed to prospective bidders for the Series 2012D Bonds the Preliminary Official
4 Statement in substantially the form of the Preliminary Official Statement approved by this
5 Resolution, as completed, supplemented, corrected or revised. The Controller is authorized
6 and directed to approve, execute, and deliver the final Official Statement with respect to the
7 Series 2012D Bonds, which final Official Statement shall be in the form of the Preliminary
8 Official Statement, with such additions, corrections and revisions as may be determined to be
9 necessary or desirable made in accordance with Section 20 and as are permitted under the
10 Rule. The Director of Public Finance is authorized and directed to cause to be printed and
11 mailed or electronically distributed the final Official Statement to all actual initial purchasers of
12 the Series 2012D Bonds.

13 Section 18. Tax Covenants. (a) General. The City covenants with the holders of the
14 Series 2012D Bonds that, notwithstanding any other provisions of this Resolution, it shall not
15 take any action, or fail to take any action, if any such action or failure to take action would
16 adversely affect the exclusion from gross income of interest on the Series 2012D Bonds under
17 Section 103 of the Code, and the regulations issued thereunder, as the same may be
18 amended from time to time, and any successor provisions of law. Reference to a particular
19 section of the Code shall be deemed to be a reference to any successor to any such section.
20 The City shall not, directly or indirectly, use or permit the use of proceeds of the Series 2012D
21 Bonds or any of the property financed or refinanced with proceeds of the Series 2012D
22 Bonds, or any portion thereof, by any person other than a governmental unit (as such term is
23 used in Section 141 of the Code), in such manner or to such extent as would result in the loss
24 of exclusion of interest on the Series 2012D Bonds from gross income for federal income tax
25 purposes.

1 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if
2 any such action or failure to take action would cause the Series 2012D Bonds to be "private
3 activity bonds" within the meaning of Section 141 of the Code, and in furtherance thereof,
4 shall not make any use of the proceeds of the Series 2012D Bonds or any of the property
5 financed or refinanced with proceeds of the Series 2012D Bonds, or any portion thereof, or
6 any other funds of the City, that would cause the Series 2012D Bonds to be "private activity
7 bonds" within the meaning of Section 141 of the Code. To that end, so long as any Series
8 2012D Bonds are outstanding, the City, with respect to such proceeds and property and such
9 other funds, will comply with applicable requirements of the Code and all regulations of the
10 United States Department of the Treasury issued thereunder, to the extent such requirements
11 are, at the time, applicable and in effect. The City shall establish reasonable procedures
12 necessary to ensure continued compliance with Section 141 of the Code and the continued
13 qualification of the Series 2012D Bonds as "governmental bonds."

14 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any
15 proceeds of the Series 2012D Bonds, or of any property financed or refinanced by the Series
16 2012D Bonds, or other funds of the City, or take or omit to take any action, that would cause
17 the Series 2012D Bonds to be "arbitrage bonds" within the meaning of Section 148 of the
18 Code. To that end, the City shall comply with all requirements of Section 148 of the Code and
19 all regulations of the United States Department of the Treasury issued thereunder to the
20 extent such requirements are, at the time, in effect and applicable to the Series 2012D Bonds.

21 (d) Federal Guarantee. The City shall not make any use of the proceeds of the
22 Series 2012D Bonds or any other funds of the City, or take or omit to take any other action,
23 that would cause the Series 2012D Bonds to be "federally guaranteed" within the meaning of
24 Section 149(b) of the Code.
25

1 (e) Information Reporting. The City shall take or cause to be taken all necessary
2 action to comply with the information reporting requirement of Section 149(e) of the Code with
3 respect to the Series 2012D Bonds.

4 (f) Hedge Bonds. The City shall not make any use of the proceeds of the Series
5 2012D Bonds or any other amounts or property, regardless of the source, or take any action
6 or refrain from taking any action that would cause the Series 2012D Bonds to be considered
7 "hedge bonds" within the meaning of Section 149(g) of the Code unless the City takes all
8 necessary action to assure compliance with the requirements of Section 149(g) of the Code.

9 (g) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants
10 of this Section 18, the City covenants that it will comply with the provisions of the Tax
11 Certificate to be executed by the City with respect to the Series 2012D Bonds, dated the date
12 of issuance of the Series 2012D Bonds, as such Tax Certificate may be amended from time to
13 time. This covenant shall survive payment in full or defeasance of the Series 2012D Bonds.

14 Section 19. Continuing Disclosure Certificate. The form of Continuing Disclosure
15 Certificate (the "Continuing Disclosure Certificate"), to be executed by the City to permit the
16 original purchasers of the Series 2012D Bonds to comply with the Rule, submitted to the
17 Board is hereby approved as the Continuing Disclosure Certificate, with such additions,
18 corrections and revisions as may be determined to be necessary or desirable made in
19 accordance with Section 20. The Controller is authorized and directed to execute the
20 Continuing Disclosure Certificate on behalf of the City and deliver the Continuing Disclosure
21 Certificate to the original purchasers of the Series 2012D Bonds.

22 Section 20. Modification to Documents. Any City official authorized by this Resolution
23 to execute any document is further authorized, in consultation with the City Attorney , to
24 approve and make such changes, additions, amendments or modifications to the document or
25 documents such official is authorized to execute as may be necessary or advisable (provided,

1 that such changes, additions, amendments or modifications shall not authorize an aggregate
2 principal amount of Series 2012D Bonds in excess of \$265,185,000 or conflict with the
3 provisions of Section 4 or in any way increase the risks or obligations of the City in a manner
4 inconsistent with the terms herein contained). The approval of any change, addition,
5 amendment or modification to any of the aforementioned documents shall be evidenced
6 conclusively by the execution and delivery of the document in question.

7 Section 21. Ratification. All actions previously taken by officials, employees and
8 agents of the City with respect to the sale and issuance of the Series 2012D Bonds are
9 approved, confirmed and ratified.

10 Section 22. Relationship to Authorizing Resolution. In the event of any conflict
11 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
12 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
13 Resolution, the City is not obligated to transfer money from the General Fund of the City to the
14 Bond Account to pay the principal of or interest on the Series 2012D Bonds.

15 Section 23. Reimbursement. The City declares its official intent to reimburse prior
16 expenditures of the City incurred prior to the issuance and sale of the Series 2012D Bonds in
17 connection with the Project or portions thereof to be financed by the Series 2012D Bonds.
18 The Board declares the City's intent to reimburse the City with the proceeds of the Series
19 2012D Bonds for the expenditures with respect to the Project (the "Expenditures" and each,
20 an "Expenditure") made on and after that date that is no more than 60 days prior to adoption
21 of this Resolution. The City reasonably expects on the date of adoption of this Resolution that
22 it will reimburse the Expenditures with the proceeds of the Series 2012D Bonds.

23 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
24 account under general federal income tax principles (determined in each case as of the date
25 of the Expenditure), (b) a cost of issuance with respect to the Series 2012D Bonds, (c) a

1 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
2 party that is not related to or an agent of the City so long as such grant does not impose any
3 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
4 City. The maximum aggregate principal amount of the Series 2012D Bonds expected to be
5 issued for the Project is \$265,185,000. The City shall make a reimbursement allocation,
6 which is a written allocation by the City that evidences the City's use of proceeds of the Series
7 2012D Bonds to reimburse an Expenditure, no later than 18 months after the later of the date
8 on which the Expenditure is paid or the Project is placed in service or abandoned, but in no
9 event more than three years after the date on which the Expenditure is paid. The City
10 recognizes that exceptions are available for certain "preliminary expenditures," costs of
11 issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of
12 issuance and not the year of expenditure) and expenditures for construction projects of at
13 least 5 years.

14 Section 24. Accountability Reports. The Series 2012D Bonds are subject to
15 accountability requirements under the City's Administrative Code and the Bond Election
16 Ordinance. Accountability report(s) with respect to the Series 2012D Bonds shall be
17 submitted at the time(s) and in the manner required by the Administrative Code and the Bond
18 Election Ordinance.

19 Section 25. Citizens' Oversight Committee. The Series 2012D Bonds are subject to,
20 and incorporate by reference, the applicable provisions of the San Francisco Administrative
21 Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond Oversight Committee"), and,
22 to the extent permitted by law, one tenth of one percent (0.1%) of the gross proceeds of the
23 Series 2012D Bonds shall be deposited into a fund established by the Controller's Office and
24 appropriated by the Board at the direction of the Citizens' General Obligation Bond Oversight
25 Committee to cover the costs of such committee.

1 Section 26. CEQA Findings. The Board finds and declares that in accordance with the
2 actions contemplated in this resolution, this Board, in approving Resolution No. 307-08 on
3 July 16, 2008, including the Attachment A and Exhibit 1 to Attachment A, adopted findings
4 with respect to the Final Environmental Impact Report ("FEIR") for the Project pursuant to the
5 California Environmental Quality Act, ("CEQA"), CEQA Guidelines and San Francisco
6 Administrative Code Chapter 31, including the adoption of a mitigation monitoring and
7 reporting program and a statement of overriding considerations, ("CEQA Findings"). The
8 CEQA Findings for the Project are on file with the Clerk of the Board in File No. 080663 and
9 are incorporated into this resolution by this reference. The Board further finds that on the
10 basis of substantial evidence and in light of the whole record, there are no changes in the
11 Project, the circumstances under which the Project will be undertaken or new information that
12 has become available since preparation of the FEIR that would alter the CEQA Findings
13 previously adopted by the Board.

14 Section 27. General Plan and Other Findings. The Board finds and declares that the
15 proposed Project is (i) in conformity with the priority policies of Section 101.1(b) of the City
16 Planning Code, (ii) in accordance with Section 4.105 of the San Francisco Charter and
17 Section 2A.53(f) of the City Administrative Code, and (iii) consistent with the City's General
18 Plan, and adopts the findings of the City Planning Department, as set forth in the General
19 Plan Referral Report, dated June 19, 2008, a copy of which is on file with the Clerk of the
20 Board in File No. 080663 and incorporates said findings by reference.

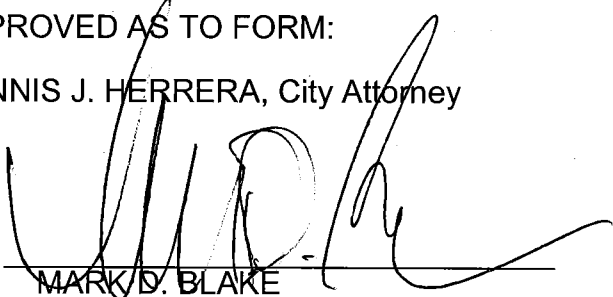
21 Section 28. General Authority. The Clerk of the Board of Supervisors, the Mayor, the
22 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each
23 authorized and directed in the name and on behalf of the City to take any and all steps and to
24 issue, deliver or enter into any and all certificates, requisitions, agreements, notices, consents,
25 and other documents as may be necessary to give effect to the provisions of this Resolution,

1 including but not limited to letters of representations to any depository or depositories, which
2 they or any of them might deem necessary or appropriate in order to consummate the lawful
3 issuance, sale and delivery of the Series 2012D Bonds.

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5
6 APPROVED AS TO FORM:

7 DENNIS J. HERRERA, City Attorney

8
9
10 By:


11 MARK D. BLAKE
12 Deputy City Attorney
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City and County of San Francisco
Tails
Resolution

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

File Number: 120532

Date Passed: June 12, 2012

Resolution authorizing and directing the sale of not to exceed \$265,185,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds, Series 2012D; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive sale; approving the forms of official notice of sale and notice of intention to sell bonds; directing the publication of the notice of intention to sell bonds; approving the form of the preliminary official statement and the form and execution of the official statement relating to the sale of said bonds; approving the form of the continuing disclosure certificate; authorizing and approving modifications to documents; declaring the City's intent to reimburse certain expenditures; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds.

June 06, 2012 Budget and Finance Sub-Committee - RECOMMENDED

June 12, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120532

I hereby certify that the foregoing
Resolution was ADOPTED on 6/12/2012 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

6/18/12
Date Approved