

1 [Laguna Honda Hospital General Obligation Bond Sale.]

2  
3 **Resolution authorizing and directing the sale of an issue of not to exceed \$230,000,000**  
4 **City and County of San Francisco General Obligation Bonds (Laguna Honda Hospital,**  
5 **1999); approving the forms of an Official Notice of Sale and a Notice of Intention to Sell**  
6 **Bonds; providing that such Bonds may be sold pursuant to a competitive or negotiated**  
7 **sale and as fixed or variable interest rate obligations; authorizing the City's compliance**  
8 **with a Continuing Disclosure Certificate; approving the form and execution of an**  
9 **Auction Agreement, a Broker-Dealer Agreement, a Market Agent Agreement, a Bond**  
10 **Purchase Contract, a Remarketing Agreement, a Standby Purchase Agreement and an**  
11 **Official Statement; approving modifications to documents; ratifying certain actions**  
12 **previously taken; and granting general authority to city officials to take necessary**  
13 **actions in connection with the authorization, issuance, sale and delivery of said Bonds.**

14  
15 WHEREAS, By Ordinance No. \_\_\_\_-\_\_\_\_, (the "Authorizing Ordinance") adopted by the  
16 Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco  
17 (the "City") on \_\_\_\_\_, 2004, the City authorized the issuance of its General Obligation  
18 Bonds (Laguna Honda Hospital, 1999); and,

19 WHEREAS, It is necessary and desirable to issue a portion of said Bonds in one or  
20 more series with such series designations as deemed appropriate by the City's Director of  
21 Public Finance (the "bonds"); and,

22 WHEREAS, The Bonds are being issued pursuant to the Authorizing Ordinance and  
23 the Charter of the City (collectively, the "Law") and a duly held election; and,

24 WHEREAS, There have been presented to this meeting the proposed forms of:

25 (1) Official Notice of Sale and Official Bid Form;

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- 1 (2) Notice of Intention to Sell;
- 2 (3) Auction Agent Agreement, by and among the City, the Trustee, if any, and such  
3 other parties and auction agents as shall be specified therein;
- 4 (4) Broker-Dealer Agreement between such broker-dealers and auction agents as  
5 shall be specified therein;
- 6 (5) Market Agent Agreement by and among the City, the Trustee, if any, and such  
7 market agent as shall be specified therein;
- 8 (6) Bond Purchase Contract between the City and such underwriters as shall be  
9 specified therein;
- 10 (7) Remarketing Agreement between the City and such remarketing agents as shall  
11 be specified therein;
- 12 (8) Standby Bond Purchase Agreement between the City and such financial  
13 institutions as shall be specified therein;
- 14 (9) Continuing Disclosure Certificate to be executed by the City; and
- 15 (10) Official Statement relating to the Bonds.

16 WHEREAS, The City and County of San Francisco (the "City") expects to pay certain  
17 expenditures in connection with the projects to be financed by the Bonds prior to the issuance  
18 and sale of the Bonds, and the City intends to reimburse itself and to pay third parties for such  
19 prior expenditures from the proceeds of the Bonds; and,

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

24 WHEREAS, The Treasury Regulations require that any reimbursement allocation of  
25 proceeds of the Bonds to be made with respect to expenditures incurred prior to the issuance

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1 of the Bonds will occur not later than eighteen (18) months after the later of (i) the date on  
2 which the expenditure is paid or (ii) the date on which the facilities are placed in service, but in  
3 no event later than three (3) years after the expenditure is paid;

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

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

7 Section 2. Conditions Precedent. All conditions, things and acts required by law to  
8 exist, to happen and to be performed precedent to and in the issuance of the Bonds exist,  
9 have happened and have been performed in due time, form and manner in accordance with  
10 applicable law, and the City is now authorized pursuant to its Charter and applicable law to  
11 incur indebtedness in the manner and form provided in this Resolution.

12 Section 3. Documents. The documents presented to this Board of Supervisors and  
13 on file with the Clerk of the Board of Supervisors, or his or her designee (the "Clerk of the  
14 Board of Supervisors") are contained in File No. \_\_\_\_\_.

15 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby  
16 authorizes the issuance and sale of not to exceed \$230,000,000 aggregate principal amount  
17 of bonds in one or more series to be designated as "City and County of San Francisco  
18 General Obligation Bonds (Laguna Honda Hospital, 1999), Series 2004\_" (with such series  
19 designation as deemed appropriate by the Director of Public Finance) for the purposes set  
20 forth in the Authorizing Ordinance. The Director of Public Finance of the City or his or her  
21 designee (the "Director of Public Finance") is hereby authorized to determine the sale date,  
22 the manner of sale, the maturity dates, the redemption provisions, tender provisions and  
23 variable or fixed interest rate modes of each series of such Bonds, subject to the following  
24 terms and conditions: (i) no Bond shall bear interest at a rate in excess of 12% and (ii) the  
25 Bonds shall not have a final maturity date after June 15, 2034. The Director of Public Finance

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1 is further authorized to give the Bonds such additional or other series designation as may be  
2 necessary or appropriate to distinguish such series from every other series and from other  
3 bonds issued by the City. The Bonds may be issued in one or more series pursuant to the  
4 Master Trust Agreement, a Variable Rate Declaration of Trust or a Fixed Rate Declaration of  
5 Trust as authorized by the Authorizing Ordinance.

6 Section 5. Series 2004 Bond Account. There is hereby established with the City  
7 Treasurer a special subaccount in the General Obligation Bonds (Laguna Honda Hospital,  
8 1999) Bond Account (the "Bond Account") created pursuant to the Authorizing Ordinance, to  
9 be designated the "General Obligation Bonds (Laguna Honda Hospital, 1999), Series 2004  
10 Bond Account (the "Series 2004 Bond Account"), to be held separate and apart from all other  
11 accounts of the City. All interest earned on amounts on deposit in the Series 2004 Bond  
12 Account shall be retained in the Series 2004 Bond Account.

13 On or prior to the date on which any payment of principal or interest on the Bonds is  
14 due, including any Bonds subject to mandatory redemption on said date, the City Treasurer  
15 shall allocate to and deposit in such Series 2004 Bond Account, from amounts held in the  
16 Bond Account pursuant to Section 6 of the Authorizing Ordinance, an amount which, when  
17 added to any available moneys contained in the Series 2004 Bond Account, is sufficient to  
18 pay principal and interest on the Bonds on such date.

19 The City Treasurer shall transfer amounts from the Series 2004 Bond Account to the  
20 Trustee to pay principal of and interest on the Bonds as required by the Master Trust  
21 Agreement and shall transfer amounts from the Series 2004 Bond Account as needed to pay  
22 debt service on any Bonds issued under a Variable Rate Declaration of Trust or Fixed Rate  
23 Declaration of Trust.

24 Amounts in the Series 2004 Bond Account may be invested in any investment of the  
25 City in which moneys in the General Fund of the City are invested. The City Treasurer may

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1 commingle any of the moneys held in the Series 2004 Bond Account with other City moneys  
2 or deposit amounts credited to the Series 2004 Bond Account into a separate fund or funds  
3 for investment purposes only; provided, however, that all of the moneys held in the Series  
4 2004 Bond Account hereunder shall be accounted for separately notwithstanding any such  
5 commingling or separate deposit by the City Treasurer. Any bid premium and accrued  
6 interest received upon the sale of the Bonds shall be deposited into the Bond Account.

7 Section 6. Series 2004 Project Account. There is hereby established with the City  
8 Treasurer a special subaccount in the General Obligation Bonds (Laguna Honda Hospital,  
9 1999) Project Account (the "Project Account") created pursuant to the Authorizing Ordinance,  
10 to be designated the General Obligation Bonds (Laguna Honda Hospital, 1999), Series 2004  
11 Project Account (the "Series 2004 Project Account"), to be held separate and apart from all  
12 other accounts of the City. All interest earned on amounts on deposit in the Series 2004  
13 Project Account shall be retained in the Series 2004 Project Account. Amounts in the Series  
14 2004 Project Account shall be expended for the acquisition, construction and reconstruction of  
15 the Project in accordance with the provisions of the Authorizing Ordinance.

16 Amounts in the Series 2004 Project Account may be invested in any investment of the  
17 City in which moneys in the General Fund of the City are invested. The City Treasurer may  
18 commingle any of the moneys held in the Series 2004 Project Account with other City moneys  
19 or deposit amounts credited to the Series 2004 Project Account into a separate fund or funds  
20 for investment purposes only; provided, however, that all of the moneys held in the Series  
21 2004 Project Account hereunder shall be accounted for separately notwithstanding any such  
22 commingling or separate deposit by the City Treasurer.

23 The City Treasurer is hereby authorized to pay or cause to be paid from the proceeds  
24 of the Bonds, on behalf of the City, the costs of issuance associated with the Bonds. Costs of  
25 issuance of the Bonds shall include, without limitation, bond and financial printing expenses,

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1 mailing and publication expenses, rating agency fees, the fees and expenses of paying  
2 agents, registrars, financial consultants and bond counsel and the reimbursement of  
3 departmental expenses in connection with the issuance of the Bonds.

4 Section. 7. Appointment of Agents. The City Treasurer is authorized and directed to  
5 appoint one or more agents as he or she may deem necessary or desirable. To the extent  
6 permitted by applicable law and under the supervision of the City Treasurer, such agents may  
7 serve as paying agent, fiscal agent, trustee, market agent, auction agent or escrow agent or  
8 registrar for the Bonds or may assist the City Treasurer in performing any or all of such  
9 functions and such other duties as the City Treasurer shall determine. Such agents shall  
10 serve under such terms and conditions as the City Treasurer shall determine. The City  
11 Treasurer may remove or replace agents appointed pursuant to this paragraph at any time.

12 Section 8. Negotiated or Competitive Sale and Authority to Negotiate Credit  
13 Enhancement and Liquidity Facility and Change in Modes. The Director of Public Finance is  
14 hereby authorized to sell one or more series of the Bonds through a negotiated sale pursuant  
15 to one or more Bond Purchase Contracts as provided in Section 14 and is authorized to sell  
16 one or more series of the Bonds through a competitive sale pursuant to the Official Notice of  
17 Sale as provided in Section 9. Further, the Director of Public Finance is authorized to  
18 negotiate the purchase of credit enhancement and liquidity facilities for the Bonds. Further,  
19 the Director of Public Finance is authorized to direct a change in interest rate modes of a  
20 series of variable interest rate bonds and to take any and all steps necessary or desirable in  
21 connection therewith, including but not limited to the preparation and delivery of a supplement,  
22 circular or update with respect to the Official Statement authorized pursuant to Section 17  
23 hereof.

24 Section. 9 Official Notice of Sale. The form of proposed Official Notice of Sale  
25 inviting bids for any series of the Bonds sold through a competitive sale is hereby approved

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1 with such changes, additions and completions as may be made in accordance with Section 19  
2 hereof.

3 If one or more series of the Bonds are determined by the Director of Public Finance to  
4 be sold by competitive sale, the Director of Public Finance is hereby authorized and directed  
5 to determine a date for the sale of such Bonds. Proposals shall be received on the sale date  
6 designated by the Director of Public Finance. The Director of Public Finance is hereby  
7 authorized and directed to cause to be mailed or otherwise circulated to prospective bidders  
8 for such Bonds to be sold by competitive sale copies of said Official Notice of Sale.

9 The Controller is hereby authorized to award such Bonds to the bidder whose bid  
10 represents the lowest true interest cost to the City, all in accordance with the procedures  
11 described in the Official Notice of Sale. The Controller shall provide a notice of the winning  
12 bid as soon as practicable to the Clerk of the Board of Supervisors and the Director of Public  
13 Finance; provided, however, that failure to provide such notice shall not affect the validity of  
14 the awarding of the winning bid.

15 Section 10. Publication of Notice of Intention to Sell Bonds. The form of proposed  
16 Notice of Intention to Sell Bonds is hereby approved and adopted as the Notice of Intention to  
17 Sell Bonds with such changes, additions and completions as may be made in accordance with  
18 Section 19 hereof. If one or more series of the Bonds are determined by the Director of Public  
19 Finance to be sold by competitive sale, the Clerk of the Board of Supervisors or the Director of  
20 Public Finance is hereby authorized and directed to cause said Notice of Intention to Sell  
21 Bonds, subject to such corrections, revisions or additions as may be made in accordance with  
22 Section 19 hereof, to be published once at least fifteen (15) days before the date of sale in the  
23 Bond Buyer, or another financial publication generally circulated throughout the State of  
24 California. This Board of Supervisors hereby authorizes the solicitation of competitive bids for  
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1 the purchase of the bonds on the date and at the place determined in accordance with the  
2 Official Notice of Sale herein referenced.

3 Section 11. Auction Agreement. The form of the proposed Auction Agent Agreement  
4 or agreements (the "Auction Agreement"), by and among the City, the trustee, if any, and  
5 such auction agents as shall be specified therein when executed, submitted to the Board of  
6 Supervisors is hereby approved and adopted, with such additions, corrections and revisions  
7 as may be determined to be necessary or desirable made in accordance with Section 19  
8 hereof.

9 Section 12. Broker-Dealer Agreement. The form of the proposed broker-dealer  
10 agreement or agreements (the "Broker-Dealer Agreement"), between the such broker-dealers  
11 and auction agents as shall be specified therein when executed, submitted to the board of  
12 supervisors is hereby approved and adopted, with such additions, corrections and revisions  
13 as may be determined to be necessary or desirable made in accordance with Section 19  
14 hereof.

15 Section 13. Market Agent Agreement. The form of the Proposed Market Agent  
16 Agreement or agreements (the "Market Agent Agreement"), by and among the City, the  
17 Trustee, if any, and such market agent as shall be specified therein when executed, submitted  
18 to the Board of Supervisors is hereby approved and adopted, with such additions, corrections  
19 and revisions as may be determined to be necessary or desirable made in accordance with  
20 Section 19 hereof. The Mayor, the Controller and the Treasurer are hereby authorized and  
21 directed, for and in the name and on behalf of the City, to execute and deliver the Market  
22 Agent Agreement in substantially said form, with such changes therein as such officer may  
23 require or approve, such approval to be conclusively evidenced by the execution and delivery  
24 thereof.

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1           Section 14. Bond Purchase Contract. The form of the Bond Purchase Contract (the  
2 "Bond Purchase Contract") between the City and such underwriters as shall be specified  
3 therein when executed, submitted to the Board of Supervisors is hereby approved and  
4 adopted, with such additions, corrections and revisions as may be determined to be  
5 necessary or desirable, made in accordance with Section 19 hereof. The Mayor, the  
6 Controller and the Treasurer are hereby authorized and directed, for and in the name and on  
7 behalf of the City, to execute and deliver the Bond Purchase Contract in substantially said  
8 form, with such changes therein as such officer may require or approve, such approval to be  
9 conclusively evidenced by the execution and delivery thereof.

10           Section 15. Remarketing Agreement. The form of the Remarketing Agreement (the  
11 "Remarketing Agreement") between the City and such remarketing agents as shall be  
12 specified therein when executed, submitted to the Board of Supervisors is hereby approved  
13 and adopted, with such additions, corrections and revisions as may be determined to be  
14 necessary or desirable made in accordance with Section 19 hereof. The Mayor, the  
15 Controller and the Treasurer are hereby authorized and directed, for and in the name and on  
16 behalf of the City, to execute and deliver the Remarketing Agreement in substantially said  
17 form, with such changes therein as such officer may require or approve, such approval to be  
18 conclusively evidenced by the execution and delivery thereof.

19           Section 16. Standby Bond Purchase Agreement. The form of the standby bond  
20 purchase agreement (the "Standby Bond Purchase Agreement") between the City and such  
21 financial institutions as shall be specified therein when executed, submitted to the Board of  
22 Supervisors is hereby approved and adopted, with such additions, corrections and revisions  
23 as may be determined to be necessary or desirable made in accordance with Section 19  
24 hereof. The Mayor, the Controller and the Treasurer are hereby authorized and directed, for  
25 and in the name and on behalf of the City, to execute and deliver the Standby Bond Purchase

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1 Agreement in substantially said form, with such changes therein as such officer may require  
2 or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

3 Section 17. Official Statement. The form of the proposed Official Statement or Official  
4 Statements describing the Bonds (the "Official Statement") submitted to the Board of  
5 Supervisors is hereby approved and adopted as the Official Statement describing the Bonds,  
6 with such additions, corrections and revisions as may be determined to be necessary or  
7 desirable made in accordance with Section 19 hereof, including without limitation such  
8 changes are necessary to describe the interest rate mode, manner of sale, the bond  
9 documents and other terms of any series of Bonds to be sold thereunder. The Controller is  
10 authorized to cause the preparation and distribution of separate Preliminary and final Official  
11 Statements for series of Bonds sold through negotiated sale and series of Bonds sold through  
12 competitive sale. The Controller is hereby authorized to deem each Preliminary Official  
13 Statement final for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as  
14 amended, and to sign a certificate to that effect, and to cause the distribution of each  
15 Preliminary Official Statement. The Controller is further hereby authorized and directed to  
16 sign the final Official Statement. The Director of Public Finance is hereby authorized and  
17 directed to cause to be printed and mailed to prospective purchasers for the Bonds copies of  
18 the Official Statement in substantially the form of the Preliminary Official Statement approved  
19 and adopted hereby, as supplemented, corrected or revised.

20 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure  
21 Certificate issued by the City to permit the original purchasers of the Bonds to comply with  
22 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities  
23 Exchange Act of 1934, as amended, submitted to the Board of Supervisors is hereby  
24 approved and adopted as the Continuing Disclosure Certificate, with such additions,  
25 corrections and revisions as may be determined to be necessary or desirable made in

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1 accordance with Section 19 hereof. The Controller is hereby authorized and directed to  
2 execute the Continuing Disclosure Certificate on behalf of the City.

3 Section 19. Modification to Documents. Any City official authorized by this Resolution  
4 to execute any document is hereby further authorized, in consultation with the City Attorney or  
5 his or her designee (the "City Attorney"), to approve and make such changes, additions,  
6 amendments or modifications to the document or documents such official is authorized to  
7 execute as may be necessary or advisable (provided that such changes, additions,  
8 amendments or modifications shall not authorize an aggregate principal amount of Bonds in  
9 excess of \$230,000,000 or conflict with the provisions of Section 4 hereof). The approval of  
10 any change, addition, amendment or modification to any of the aforementioned documents  
11 shall be evidenced conclusively by the execution and delivery of the document in question.

12 Section 20. Ratification. All actions heretofore taken by officials, employees and  
13 agents of the City with respect to the sale and issuance of the Bonds are hereby approved,  
14 confirmed and ratified.

15 Section 21. Reimbursement. The City hereby declares its official intent to reimburse  
16 prior expenditures of the City incurred prior to the issuance and sale of the Bonds in  
17 connection with the projects to be financed by the Bonds.

18 Section 22. Accountability Reports. The Bonds are subject to Article VIII of Chapter 2  
19 of the City's Administrative Code. Accountability report(s) with respect to the Bonds shall be  
20 submitted at the time(s) and in the manner required by said Article VIII.

21 Section 23. General Authority. The Clerk of the Board of Supervisors, the Mayor, the  
22 City Treasurer, the Director of Public Finance, the City Administrator, the City Attorney and  
23 the Controller are each hereby authorized and directed in the name and on behalf of the City  
24 to take any and all steps and to sign and deliver any and all certificates, requisitions,  
25 agreements, notices, consents, and other documents, including but not limited to, agreements

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1 with credit and liquidity facility providers and letters of representations to any depository or  
2 depositories which they or any of them might deem necessary or appropriate in order to  
3 consummate the lawful issuance, sale and delivery of the Bonds and carry out the purposes  
4 of this Resolution

5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA  
7 City Attorney

8 BY: \_\_\_\_\_  
9 MICHAEL J. MARTIN

10 Deputy City Attorney

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