

1 [Laguna Honda Hospital General Obligation Bond Sale.]

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3 **Resolution authorizing and directing the sale of an issue of not to exceed \$69,000,000**  
4 **City and County of San Francisco General Obligation Bonds (Laguna Honda Hospital,**  
5 **1999), Series 2005I; approving the form and execution of a Declaration of Trust;**  
6 **approving the forms of an Official Notice of Sale and a Notice of Intention to Sell**  
7 **Bonds; authorizing the solicitation of competitive bids for the sale of the Bonds;**  
8 **approving the form, execution and distribution of an Official Statement; approving the**  
9 **form of and authorizing the City's compliance with a Continuing Disclosure Certificate;**  
10 **approving modifications to documents; ratifying certain actions previously taken; and**  
11 **granting general authority to city officials to take necessary actions in connection with**  
12 **the authorization, issuance, sale and delivery of said Bonds.**

13

14 WHEREAS, Proposition A, approved by the voters of the City on November 2, 1999  
15 ("Proposition A"), authorized the City and County of San Francisco (the "City") to incur bonded  
16 debt and/or other evidences of indebtedness and/or undertake lease financing in an  
17 aggregate principal amount not exceeding \$299,000,000 to finance, without limitation, all  
18 works, property and structures necessary or convenient for the acquisition, improvement,  
19 construction and/or reconstruction of a new health care, assisted living and/or other type of  
20 continuing care facility or facilities to replace Laguna Honda Hospital (the "Project"); and,

21 WHEREAS, By Ordinance No. 24-04, (the "Authorizing Ordinance") adopted by the  
22 Board of Supervisors (the "Board of Supervisors") of the City on February 10, 2004, and  
23 approved by the Mayor of the City (the "Mayor") on February 19, 2004, the City authorized the  
24 issuance of its General Obligation Bonds (Laguna Honda Hospital, 1999) pursuant to  
25 Proposition A (the "Laguna Honda Bonds"); and,

1           WHEREAS, By Resolution No. 66-04 (the "Prior Resolution"), adopted by the Board of  
2 Supervisors on February 3, 2004 and approved by the Mayor on February 12, 2004, the City  
3 authorized the sale of not to exceed \$230,000,000 principal amount of Laguna Honda Bonds;  
4 and

5           WHEREAS, Pursuant to the Prior Resolution, the City has sold and issued one series  
6 of fixed rate Laguna Honda Bonds in the aggregate principal amount of \$110,000,000 and  
7 three series of variable rate Laguna Honda Bonds in the aggregate principal amount of  
8 \$120,000,000;

9           WHEREAS, It is necessary and desirable to issue the remaining authorized portion of  
10 said Laguna Honda Bonds as City and County of San Francisco General Obligation Bonds  
11 (Laguna Honda Hospital, 1999) Series 2005I, or another series designation as deemed  
12 appropriate by the City's Director of Public Finance (the "Bonds"); and,

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

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

- 16           (1) Declaration of Trust;
- 17           (2) Official Notice of Sale and Official Bid Form;
- 18           (3) Notice of Intention to Sell;
- 19           (4) Continuing Disclosure Certificate to be executed by the City; and
- 20           (5) Official Statement relating to the Bonds; and

21           WHEREAS, Such form documents are on file with the Clerk of the Board in File No.  
22 \_\_\_\_\_; and

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

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

7 WHEREAS, The Treasury Regulations require that any reimbursement allocation of  
8 proceeds of the Bonds to be made with respect to expenditures incurred prior to the issuance  
9 of the Bonds will occur not later than eighteen (18) months after the later of (i) the date on  
10 which the expenditure is paid or (ii) the date on which the facilities are placed in service, but in  
11 no event later than three (3) years after the expenditure is paid; now, therefore, be it

12 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as  
13 follows:

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

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

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

23 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby  
24 authorizes the issuance and sale of not to exceed \$69,000,000 aggregate principal amount of  
25 bonds to be designated as "City and County of San Francisco General Obligation Bonds

1 (Laguna Honda Hospital, 1999), Series 2005I" for the purposes set forth in the Authorizing  
2 Ordinance. The Director of Public Finance of the City or his or her designee (the "Director of  
3 Public Finance") is hereby authorized to determine the sale date, the maturity dates and the  
4 redemption provisions for such series of Bonds, subject to the following terms and conditions:  
5 (i) no Bond shall bear interest at a rate in excess of 12% and (ii) the Bonds shall not have a  
6 final maturity date after June 15, 2035. The Director of Public Finance is further authorized to  
7 give the Bonds such additional or other series designation as may be necessary or  
8 appropriate to distinguish such series from every other series and from other bonds issued by  
9 the City. The Bonds may be issued in one or more series pursuant to the Declaration of Trust  
10 as authorized by the Authorizing Ordinance.

11 Section 5. Declaration of Trust. The proposed form of a Declaration of Trust, on file  
12 with the Clerk of the Board of Supervisors, is hereby approved. The Mayor and the City  
13 Treasurer are hereby authorized and directed, for and in the name and on behalf of the City,  
14 to execute and deliver a Declaration of Trust relating to the Bonds in substantially said form,  
15 with such changes, additions, amendments or modifications as may be made in accordance  
16 with Section 12 hereof.

17 Section 6. Appointment of Agents. The City Treasurer is authorized and directed to  
18 appoint one or more agents as he or she may deem necessary or desirable in connection with  
19 the performance of his or her duties under the Declaration of Trust and other documents  
20 relating to the Bonds. To the extent permitted by applicable law and under the supervision of  
21 the City Treasurer, such agents may serve as paying agent, fiscal agent, trustee, rebate  
22 calculation agent or registrar for the Bonds or may assist the City Treasurer in performing any  
23 or all of such functions and such other duties as the City Treasurer shall determine. Such  
24 agents shall serve under such terms and conditions as the City Treasurer shall determine.

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1           The City Treasurer may remove or replace agents appointed pursuant to this  
2 paragraph at any time.

3           Section 7. Official Notice of Sale. The form of proposed Official Notice of Sale inviting  
4 bids for the Bonds, on file with the Clerk of the Board of Supervisors, is hereby approved and  
5 adopted as the Official Notice of Sale inviting bids for the Bonds, with such changes,  
6 additions, amendments or modifications as may be made in accordance with Section 12  
7 hereof.

8           Proposals shall be received on the date designated by the Director of Public Finance  
9 pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized and directed  
10 to cause to be mailed or otherwise circulated to prospective bidders for the Bonds copies of said  
11 Official Notice of Sale, subject to such corrections, revisions or additions as may be acceptable  
12 to the Director of Public Finance.

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

19           Section 8. Publication of Notice of Intention to Sell Bonds. The form of proposed  
20 Notice of Intention to Sell Bonds is hereby approved and adopted as the Notice of Intention to  
21 Sell Bonds, and the Director of Public Finance is hereby authorized and directed to cause said  
22 Notice of Intention to Sell Bonds, subject to such changes, additions, amendments or  
23 modifications as may be made in accordance with Section 12 hereof, to be published at least  
24 once before the sale of the Bonds in the Bond Buyer or another financial publication generally  
25 circulated throughout the State of California.

1           Section 9. Solicitation of Competitive Bids. This Board of Supervisors hereby  
2 authorizes the solicitation of competitive bids for the purchase of the Bonds on the date and at  
3 the place determined in accordance with the Official Notice of Sale herein referenced.

4           Section 10. Official Statement. The form of the proposed Official Statement describing  
5 the Bonds (the "Official Statement") submitted to the Board of Supervisors is hereby approved  
6 and adopted as the Official Statement describing the Bonds, with such additions, corrections  
7 and revisions as may be made in accordance with Section 12 hereof. The Controller is  
8 authorized to cause the preparation and distribution of Preliminary and final Official  
9 Statements for the Bonds. The Controller is hereby authorized to deem the Preliminary  
10 Official Statement final for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934,  
11 as amended, and to sign a certificate to that effect. The Controller is further hereby  
12 authorized and directed to sign the final Official Statement. The Director of Public Finance is  
13 hereby authorized and directed to cause to be distributed to prospective purchasers for the  
14 Bonds copies of the Official Statement in substantially the form approved and adopted hereby,  
15 as supplemented, corrected or revised.

16           Section 11. Continuing Disclosure Certificate. The form of Continuing Disclosure  
17 Certificate issued by the City to permit the original purchasers of the Bonds to comply with  
18 Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities  
19 Exchange Act of 1934, as amended, submitted to the Board of Supervisors is hereby  
20 approved and adopted as the Continuing Disclosure Certificate, with such changes, additions,  
21 amendments or modifications as may be made in accordance with Section 12 hereof. The  
22 Controller is hereby authorized and directed to execute the Continuing Disclosure Certificate  
23 on behalf of the City.

24           Section 12. Modification to Documents. Any City official authorized by this Resolution  
25 to execute any document is hereby further authorized, in consultation with the City Attorney or

1 his or her designee (the "City Attorney"), to approve and make such changes, additions,  
2 amendments or modifications to the document or documents such official is authorized to  
3 execute as may be necessary or advisable (provided that such changes, additions,  
4 amendments or modifications shall not authorize an aggregate principal amount of Bonds in  
5 excess of \$69,000,000 or conflict with the provisions of Section 4 hereof). The approval of  
6 any change, addition, amendment or modification to any of the aforementioned documents  
7 shall be evidenced conclusively by the execution and delivery of the document in question.

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

11 Section 14. Reimbursement. The City hereby declares its official intent to reimburse  
12 prior expenditures of the City incurred prior to the issuance and sale of the Bonds in  
13 connection with the projects to be financed by the Bonds.

14 Section 15. Accountability Reports. The Bonds are subject to Article VIII of Chapter 2  
15 of the City's Administrative Code. Accountability report(s) with respect to the Bonds shall be  
16 submitted at the time(s) and in the manner required by said Article VIII.

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1           Section 16. General Authority. The Clerk of the Board of Supervisors, the Mayor, the  
2 City Treasurer, the Director of Public Finance, the City Administrator, the City Attorney and  
3 the Controller are each hereby authorized and directed in the name and on behalf of the City  
4 to take any and all steps and to sign and deliver any and all certificates, requisitions,  
5 agreements, notices, consents, and other documents, including but not limited to, agreements  
6 with credit providers and letters of representations to any depository or depositories which  
7 they or any of them might deem necessary or appropriate in order to consummate the lawful  
8 issuance, sale and delivery of the Bonds and carry out the purposes of this Resolution.

9 APPROVED AS TO FORM:

10 DENNIS J. HERRERA  
11 City Attorney

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13 BY: \_\_\_\_\_  
14 MICHAEL J. MARTIN  
15 Deputy City Attorney  
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