

[Bond Sale of San Francisco General Hospital Improvement Bonds.]

1 **Resolution Authorizing and Directing the Sale of Not to Exceed \$305,000,000**
2 **Aggregate Principal Amount of City and County of San Francisco General Obligation**
3 **Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series 2010A,**
4 **and City and County of San Francisco General Obligation Bonds (San Francisco**
5 **General Hospital Improvement Bonds, 2008), Series 2010C (Federally Taxable Build**
6 **America Bonds); Prescribing the Form and Terms of Said Bonds; Authorizing the**
7 **Execution, Authentication, and Registration of Said Bonds; Providing for the**
8 **Appointment of Depositories and Other Agents for Said Bonds; Providing for the**
9 **Establishment of Accounts Related Thereto; Providing for the Manner of Sale of Said**
10 **Bonds by Competitive Sale; Approving the Forms of Official Notice of Sale and Notice**
11 **of Intention to Sell Bonds; Directing the Publication of the Notice of Intention to Sell**
12 **Bonds; Approving the Form of the Preliminary Official Statement and the Form and**
13 **Execution of the Official Statement Relating to the Sale of Said Bonds; Approving the**
14 **Form of the Continuing Disclosure Certificate; Approving Modifications to**
15 **Documents; 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 WHEREAS, By Resolution No. 528-08 (the "Authorizing Resolution"), adopted by the
19 Board of Supervisors (the "Board") of the City and County of San Francisco (the "City") on
20 December 16, 2008, and signed by the Mayor of the City (the "Mayor") on December 19,
21 2008, the City authorized the issuance of its General Obligation Bonds (San Francisco
22 General Hospital Improvement Bonds, 2008) (the "Bonds"); and,

23 WHEREAS, By Resolution No. 527-08, adopted by the Board on December 16,
24 2008, and signed by the Mayor on December 19, 2008, the City authorized the first series of
25

1 Bonds not to exceed \$136,000,000 aggregate principal amount of said General Obligation
2 Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series 2009A; and,

3 WHEREAS, The City has issued and sold, to date, a total of \$131,650,000 General
4 Obligation Bonds (San Francisco General Hospital Improvement Bonds, 2008); and there
5 remains \$755,750,000 of authorized and unissued General Obligation Bonds (San
6 Francisco General Hospital Improvement Bonds, 2008); and,

7 WHEREAS, It is necessary and desirable to issue an aggregate principal amount not
8 to exceed of \$305,000,000 City and County of San Francisco General Obligation Bonds
9 (San Francisco General Hospital Improvement Bonds, 2008), Series 2010A (the "Series
10 2010A Bonds"), and City and County of San Francisco General Obligation Bonds (San
11 Francisco General Hospital Improvement Bonds, 2008), Series 2010C (Federally Taxable
12 Build America Bonds) (the "Series 2010C Bonds"; each of the Series 2010A Bonds and the
13 Series 2010C Bonds is herein separately defined as a "Series of 2010 Bonds"); and,

14 WHEREAS, Each Series of 2010 Bonds is being issued pursuant to the Authorizing
15 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
16 Code, the Charter of the City (the "Charter"), and a duly held election called for by
17 Ordinance 128-08 adopted by the Board on July 22, 2008, and signed by the Mayor on
18 July 24, 2008 (the "Bond Ordinance"); and,

19 WHEREAS, The City has paid and expects to pay certain expenditures in
20 connection with the projects to be financed by each Series of 2010 Bonds prior to the
21 issuance and sale of each Series of 2010 Bonds, and the City intends to reimburse itself
22 and to pay third parties for such prior expenditures from the proceeds of each Series of
23 2010 Bonds; and,

24 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
25 Internal Revenue Code of 1986 (the "Treasury Regulations") requires the City to declare

1 its reasonable official intent to reimburse prior expenditures with the proceeds of a
2 subsequent borrowing; and,

3 WHEREAS, The Treasury Regulations require that any reimbursement allocation
4 of proceeds of each Series of 2010 Bonds to be made with respect to expenditures
5 incurred prior to the issuance of each Series of 2010 Bonds will occur not later than
6 eighteen (18) months after the later of (i) the date on which the expenditure is paid or
7 (ii) the date on which the facilities are placed in service, but in no event later than three
8 (3) years after the expenditure is paid;

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

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

12 Section 2. Conditions Precedent. All conditions, things and acts required by law to
13 exist, to happen and to be performed precedent to and in the issuance of the Series 2010A
14 Bonds and the Series 2010C Bonds exist, have happened and have been performed in due
15 time, form and manner in accordance with applicable law, and the City is now authorized
16 pursuant to the Charter and applicable law to incur indebtedness in the manner and form
17 provided in this Resolution.

18 Section 3. Documents. The documents presented to the Board and on file with the
19 Clerk of the Board of Supervisors or his or her designee (the "Clerk of the Board of
20 Supervisors") are contained in File No. 100024.

21 Section 4. Issuance and Sale of Series 2010A Bonds and Series 2010C Bonds. The
22 Board hereby authorizes the issuance and sale of not to exceed \$305,000,000 in aggregate
23 principal amount of bonds to be issued in not more than two series, on a parity basis, and to
24 be designated as "City and County of San Francisco General Obligation Bonds (San
25 Francisco General Hospital Improvement Bonds, 2008), Series 2010A," and "City and

1 County of San Francisco General Obligation Bonds (San Francisco General Hospital
2 Improvement Bonds, 2008), Series 2010C (Federally Taxable Build America Bonds),” for the
3 purposes set forth in the Bond Ordinance and Proposition A approved by the voters on
4 November 4, 2008. Notwithstanding the foregoing, nothing herein shall require that the
5 Series 2010C Bonds be issued if the Series 2010A Bonds are issued, and vice versa.

6 The Director of Public Finance of the City or his or her designee (the “Director of
7 Public Finance”) is hereby authorized to determine, for each Series of 2010 Bonds, the sale
8 date, the interest rates, the definitive principal amount thereof (which principal amount for
9 each Series of 2010 Bonds may be \$-0- or any greater principal amount; provided that the
10 aggregate principal amount for both Series of 2010 Bonds shall not exceed \$305,000,000),
11 the maturity dates and the redemption dates, if any, and the terms of any optional or
12 mandatory redemption thereof, subject to the other specific provisions of this Resolution,
13 including the following terms and conditions: (i) the Series 2010A Bonds shall not have a
14 true interest cost in excess of 12% (as such term is defined in the applicable Official Notice
15 of Sale (as defined in Section 13 hereof)); (ii) the Series 2010C Bonds shall not have a net
16 effective rate (after application of Interest Subsidy Payments (as defined below) received
17 from the United States Treasury) in excess of 12%; (iii) the Series 2010A Bonds shall not
18 have a final maturity date after June 15, 2040; and (iv) the Series 2010C Bonds shall not
19 have a final maturity date after June 15, 2040. The Director of Public Finance is further
20 authorized to give each Series of 2010 Bonds such additional or other series designation, or
21 to modify such series designation, as may be necessary or appropriate to distinguish each
22 such Series of 2010 Bonds from every other series of Bonds and from other bonds issued
23 by the City.

24 The Board hereby irrevocably elects to apply the provisions of Section 54AA(d) of the
25 Internal Revenue Code of 1986, as amended (the “Code”), to the Series 2010C Bonds and

1 intends that the Series 2010C Bonds, if, as and when issued, be treated as "build America
2 bonds" within the meaning of Section 54AA(d) of the Code. The Board further irrevocably
3 elects to apply the provisions of Section 54AA(g) of the Code to the Series 2010C Bonds
4 and intends that the Series 2010C Bonds be treated as "qualified bonds" within the meaning
5 of Section 54AA(g) of the Code, such that the Series 2010C Bonds will bear interest that is
6 not excluded from the gross income of the owners thereof for purposes of federal income
7 taxation and the Series 2010C Bonds will be eligible to receive Interest Subsidy Payments
8 from the United States Department of the Treasury to the City or the City's authorized
9 designated recipient of the credit provided for in Sections 54AA(b) and 6431 of the Code;
10 provided that the City or the City's authorized designated recipient has filed the required
11 Internal Revenue Service forms. "Interest Subsidy Payment" means, with respect to the
12 Series 2010C Bonds, each payment received by the City or the City's authorized designated
13 recipient directly from the United States Department of the Treasury in an amount equal to
14 35% of the corresponding interest payable on such Series 2010C Bonds, as provided for in
15 Sections 54AA(b) and 6431 of the Code.

16 Section 5. Execution, Authentication and Registration of the Series 2010A Bonds
17 and the Series 2010C Bonds. Each Series of 2010 Bonds shall be in fully registered form
18 without coupons in denominations of \$5,000 or any integral multiple thereof. The officers of
19 the City are hereby directed to cause each Series of 2010 Bonds to be prepared in sufficient
20 quantity for delivery to or for the account of the purchaser thereof and the Clerk of the Board
21 of Supervisors is hereby directed to cause the blanks therein to be completed in accordance
22 with the Authorizing Resolution, to procure their execution by the proper officers of the City
23 (including by facsimile signature if necessary or convenient), and to deliver each Series of
24 2010 Bonds when so executed to said purchaser in exchange for the purchase price
25 thereof, all in accordance with the Authorizing Resolution.

1 The Series 2010A Bonds and the certificate of authentication and registration,
2 manually executed by the Treasurer of the City or his or her designee (the "City Treasurer")
3 and the form of assignment to appear thereon shall be substantially in the form attached
4 hereto as Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and
5 which is hereby declared to be a part of this Resolution as if fully set forth herein), with
6 necessary or appropriate variations, omissions and insertions as permitted or required by
7 this Resolution.

8 The Series 2010C Bonds and the certificate of authentication and registration,
9 manually executed by the City Treasurer and the form of assignment to appear thereon shall
10 be substantially in the form attached hereto as Exhibit B (a copy of which is on file with the
11 Clerk of the Board of Supervisors and which is hereby declared to be a part of this
12 Resolution as if fully set forth herein), with necessary or appropriate variations, omissions
13 and insertions as permitted or required by this Resolution.

14 Only such of each Series of 2010 Bonds as shall bear thereon a certificate of
15 authentication and registration in the form herein recited, executed by the City Treasurer,
16 shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and
17 such certificate of the City Treasurer, executed as herein provided, shall be conclusive
18 evidence that the Series of 2010 Bonds so authenticated have been duly authenticated and
19 delivered hereunder and are entitled to the benefits of this Resolution.

20 The City Treasurer shall assign a distinctive letter, or number, or letter and number to
21 each Series of 2010 Bond authenticated and registered by him or her and shall maintain a
22 record thereof which shall be available for inspection.

23 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
24 the office of the City Treasurer, or at the designated office of any registrar appointed by the
25 City Treasurer, separate and sufficient books for the registration and transfer of each Series

1 of 2010 Bonds, which books shall at all times be open to inspection, and upon presentation
2 for such purpose, the City Treasurer shall, under such reasonable regulations as he or she
3 may prescribe, register or transfer or cause to be registered or transferred, on said books,
4 Series 2010A Bonds and Series 2010C Bonds as herein provided. The City and the City
5 Treasurer may treat the registered owners of each Series of 2010 Bonds as the absolute
6 owners thereof for all purposes, and the City and the City Treasurer shall not be affected by
7 any notice to the contrary.

8 Section 7. Transfer or Exchange of Series 2010A Bonds and Series 2010C Bonds.

9 Any Series of 2010 Bond may, in accordance with its terms, be transferred upon the books
10 required to be kept pursuant to the provisions of Section 6 hereof, by the person in whose
11 name it is registered, in person or by the duly authorized attorney of such person in writing,
12 upon surrender of such Series of 2010 Bond for cancellation, accompanied by delivery of a
13 duly executed written instrument of transfer in a form approved by the City Treasurer.

14 Any Series of 2010 Bonds may be exchanged at the office of the City Treasurer for a
15 like aggregate principal amount of other authorized denominations of the same series,
16 interest rate and maturity.

17 Whenever any Series of 2010 Bond shall be surrendered for transfer or exchange,
18 the designated City officials shall execute (as provided in Section 5 hereof) and the City
19 Treasurer shall authenticate and deliver a new Series of 2010 Bond of the same series,
20 interest rate and maturity in a like aggregate principal amount. The City Treasurer shall
21 require the payment by any bond owner requesting any such transfer of any tax or other
22 governmental charge required to be paid with respect to such transfer or exchange.

23 No transfer or exchange of Series of 2010 Bonds shall be required to be made by the
24 City Treasurer during the period from the Record Date (as defined in Section 8 hereof) next
25

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 of 2010 Bond.

3 Section 8. Terms of the Series 2010A Bonds and Series 2010C Bonds; General
4 Redemption Provisions. Each Series of 2010 Bonds shall be dated the date of their delivery
5 or such other date (the "Dated Date") as specified in the applicable Bond Award (as defined
6 in Section 13 hereof). Each Series of 2010 Bonds shall bear interest at rates to be
7 determined upon the sale of such Series of 2010 Bonds, calculated on the basis of a 360-
8 day year comprised of twelve 30-day months, payable on June 15, 2010 (or such other date
9 as may be designated in the applicable Bond Award), and semiannually thereafter on
10 June 15 and December 15 of each year.

11 The principal of each Series of 2010 Bonds shall be payable in lawful money of the
12 United States of America to the owner thereof, upon the surrender thereof at maturity or
13 earlier redemption at the office of the City Treasurer. The interest on each Series of 2010
14 Bonds shall be payable in like lawful money to the person whose name appears on the
15 applicable bond registration books of the City Treasurer as the owner thereof as of the close
16 of business on the last day of the month immediately preceding an interest payment date
17 (the "Record Date"), whether or not such day is a Business Day (as defined below).

18 Each Series of 2010 Bond shall bear interest from the interest payment date next
19 preceding the date of authentication thereof unless it is authenticated as of a day during the
20 period from the Record Date next preceding any interest payment date to the interest
21 payment date, inclusive, in which event it shall bear interest from such interest payment
22 date, or unless it is authenticated on or before the first Record Date, in which event it shall
23 bear interest from the Dated Date; provided, however, that if, at the time of authentication of
24 any Series of 2010 Bond, interest is in default on such Series of 2010 Bonds, such Series of
25 2010 Bond shall bear interest from the interest payment date to which interest has

1 previously been paid or made available for payment on such Series of 2010 Bonds or from
2 the Dated Date if the first interest payment is not made. Except as may be otherwise
3 provided in connection with any book-entry only system applicable to a Series of 2010
4 Bonds, payment of the interest on any Series of 2010 Bond shall be made by check mailed
5 on the interest payment date to such owner at such owner's address as it appears on the
6 applicable registration books as of the Record Date; provided, however, if any interest
7 payment date occurs on a day that banks in California or New York are closed for business
8 or the New York Stock Exchange is closed for business, then such payment shall be made
9 on the next succeeding day that banks in both California and New York are open for
10 business and the New York Stock Exchange is open for business (each, a "Business
11 Day"); and provided, further, that the registered owner of an aggregate principal amount of
12 at least \$1,000,000 of a Series of 2010 Bonds may submit a written request to the City
13 Treasurer on or before a Record Date preceding an interest payment date for payment of
14 interest by wire transfer to a commercial bank located within the United States of America.
15 For so long as any Series of 2010 Bonds are held in book-entry form by a securities
16 depository selected by the City pursuant to Section 11 hereof, payment shall be made to the
17 registered owner of the Series of 2010 Bonds designated by such securities depository by
18 wire transfer of immediately available funds.

19 The Series 2010A Bonds shall be subject to optional redemption prior to maturity as
20 provided in the applicable Official Notice of Sale or the applicable Bond Award. The Series
21 2010C Bonds shall be subject to optional redemption and special optional redemption prior
22 to maturity as provided in the applicable Official Notice of Sale or the applicable Bond Award
23 for such Series of 2010 Bonds.

24 Each Series of 2010 Bonds shall be subject to mandatory redemption at par, by lot, in
25 any year for which the purchaser thereof has designated that the principal amount payable

1 with respect to that year shall constitute a mandatory sinking fund payment as permitted by
2 the applicable Official Notice of Sale. Any Series of 2010 Bonds subject to mandatory
3 redemption shall be designated as such in the applicable Official Notice of Sale or the
4 applicable Bond Award for such Series of 2010 Bonds.

5 The principal of and interest on the Series 2010A Bonds subject to mandatory
6 redemption shall be paid from the Series 2010A Bond Account (as defined in Section 9
7 hereof), pursuant to Section 9 hereof. In lieu of any such mandatory redemption for the
8 Series 2010A Bonds, at any time prior to the selection of the Series 2010A Bonds for
9 mandatory redemption, the City may apply such amounts on deposit in the Series 2010A
10 Bond Account to make such payment to the purchase of Series 2010A Bonds subject to
11 such redemption at public or private sale, as and when and at such prices not in excess of
12 the principal amount thereof (including sales commission and other charges but excluding
13 accrued interest), as the City may determine.

14 The principal of and interest on the Series 2010C Bonds subject to mandatory
15 redemption shall be paid from the Series 2010C Bond Account (as defined in Section 9
16 hereof), pursuant to Section 9 hereof. In lieu of any such mandatory redemption for the
17 Series 2010C Bonds, at any time prior to the selection of the Series 2010C Bonds for
18 mandatory redemption, the City may apply such amounts on deposit in the Series 2010C
19 Bond Account to make such payment to the purchase of Series 2010C Bonds subject to
20 such redemption at public or private sale, as and when and at such prices not in excess of
21 the principal amount thereof (including sales commission and other charges but excluding
22 accrued interest), as the City may determine.

23 Whenever less than all of the outstanding bonds of a Series of 2010 Bonds maturing
24 on any one date are called for redemption on any one date, the City Treasurer will select the
25 Series of 2010 Bonds or portions thereof, in denominations of \$5,000 or any integral multiple

1 thereof, to be redeemed from the outstanding bonds of such Series of 2010 Bonds maturing
2 on such date not previously selected for redemption, by lot, in any manner which the City
3 Treasurer deems fair. The date on which the bonds of a Series of 2010 Bonds that are
4 called for redemption are to be presented for redemption is herein called the "Redemption
5 Date." The City Treasurer shall mail, or cause to be mailed, notice of any redemption of
6 each Series of 2010 Bonds, postage prepaid, to the respective registered owners thereof at
7 the addresses appearing on the applicable bond registration books not less than thirty (30)
8 nor more than sixty (60) days prior to the Redemption Date. The notice of redemption shall
9 (a) state the Redemption Date; (b) state the redemption price; (c) state the maturity dates of
10 the Series of 2010 Bonds and, if less than all of any such maturity is called for redemption,
11 the distinctive numbers of the Series of 2010 Bonds of such maturity to be redeemed, and in
12 the case of any Series of 2010 Bonds redeemed in part only, the respective portions of the
13 principal amount thereof to be redeemed; (d) state the CUSIP number, if any, of each Series
14 of 2010 Bond to be redeemed; (e) require that such Series of 2010 Bonds be surrendered
15 by the owners at the office of the City Treasurer or his or her agent; and (f) give notice that
16 interest on such Series of 2010 Bonds will cease to accrue after the designated Redemption
17 Date. Such notice of redemption may be conditional upon receipt of funds or other event
18 specified in the notice of redemption.

19 The actual receipt by the owner of any Series of 2010 Bond of notice of such
20 redemption shall not be a condition precedent to redemption, and failure to receive such
21 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
22 for the redemption of such Series of 2010 Bonds or the cessation of accrual of interest on
23 such Series of 2010 Bonds on the Redemption Date.

24 Notice of such redemption also shall be given, or caused to be given, by the City
25 Treasurer, by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile

1 transmission or (iii) overnight delivery service, to (a) all organizations registered with the
2 Securities and Exchange Commission as securities depositories and (b) such other
3 services or organizations as may be required in accordance with the Continuing
4 Disclosure Certificate described in Section 18 hereof.

5 The notice or notices required for redemption shall be given by the City Treasurer, or
6 any agent appointed by the City. A certificate of the City Treasurer or such other appointed
7 agent of the City that notice of redemption has been given to the owner of any Series of
8 2010 Bond in accordance with this Resolution shall be conclusive against all parties.

9 At the time the City Treasurer or the Controller of the City or his or her designee (the
10 "Controller") determines to optionally call and redeem any of the Series 2010A Bonds, the
11 City Treasurer or his or her agent shall establish a redemption account to be described or
12 known as the "General Obligation Bonds (San Francisco General Hospital Improvement
13 Bonds, 2008), Series 2010A Redemption Account" (the "Series 2010A Redemption
14 Account"), and prior to or on the Redemption Date there must be set aside in the Series
15 2010A Redemption Account moneys available for the purpose and sufficient to redeem as
16 provided in this Resolution, the Series 2010A Bonds designated in said notice of
17 redemption, subject to rescission as hereinafter provided. Said moneys must be set aside in
18 the Series 2010A Redemption Account solely for the purpose of, and shall be applied on or
19 after the Redemption Date to, payment of the redemption price of the Series 2010A Bonds
20 to be redeemed upon presentation and surrender of such Series 2010A Bonds. Any interest
21 due on or prior to the Redemption Date may be paid from the Series 2010A Bond Account
22 as provided in Section 9 hereof or from the Series 2010A Redemption Account. Moneys
23 held from time to time in the Series 2010A Redemption Account shall be invested by the
24 City Treasurer pursuant to the City's policies and guidelines for investment of moneys in the
25 General Fund of the City. If, after all of the Series 2010A Bonds have been redeemed and

1 canceled or paid and canceled, there are moneys remaining in said Series 2010A
2 Redemption Account, said moneys shall be transferred to the General Fund of the City or to
3 such other fund or account as required by applicable law; provided, however, that if said
4 moneys are part of the proceeds of refunding bonds, said moneys shall be transferred
5 pursuant to the resolution authorizing such refunding bonds.

6 When notice of optional redemption has been given, substantially as provided herein,
7 and when the amount necessary for the redemption of the Series 2010A Bonds called for
8 redemption (principal, premium, if any, and accrued interest to such Redemption Date) is set
9 aside for that purpose in said Series 2010A Redemption Account, as provided herein, the
10 Series 2010A Bonds designated for redemption shall become due and payable on the
11 Redemption Date therefor, and upon presentation and surrender of said Series 2010A
12 Bonds at the place specified in the notice of redemption, such Series 2010A Bonds shall be
13 redeemed and paid at said redemption price out of said Series 2010A Redemption Account.
14 No interest will accrue on such Series 2010A Bonds called for redemption after the
15 Redemption Date and the registered owners of such Series 2010A Bonds shall look for
16 payment of such Series 2010A Bonds only to said Series 2010A Redemption Account. All
17 Series 2010A Bonds redeemed shall be canceled forthwith by the City Treasurer and shall
18 not be reissued.

19 At the time the City Treasurer or the Controller determines to optionally call and
20 redeem any of the Series 2010C Bonds, the City Treasurer or his or her agent shall
21 establish a redemption account to be described or known as the "General Obligation Bonds
22 (San Francisco General Hospital Improvement Bonds, 2008), Series 2010C Redemption
23 Account" (the "Series 2010C Redemption Account"), and prior to or on the Redemption Date
24 there must be set aside in the Series 2010C Redemption Account moneys available for the
25 purpose and sufficient to redeem as provided in this Resolution, the Series 2010C Bonds

1 designated in said notice of redemption, subject to rescission as hereinafter provided. Said
2 moneys must be set aside in the Series 2010C Redemption Account solely for the purpose
3 of, and shall be applied on or after the Redemption Date to, payment of the redemption price
4 of the Series 2010C Bonds to be redeemed upon presentation and surrender of such Series
5 2010C Bonds. Any interest due on or prior to the Redemption Date may be paid from the
6 Series 2010C Bond Account as provided in Section 9 hereof or from the Series 2010C
7 Redemption Account. Moneys held from time to time in the Series 2010C Redemption
8 Account shall be invested by the City Treasurer pursuant to the City's policies and
9 guidelines for investment of moneys in the General Fund of the City. If, after all of the Series
10 2010C Bonds have been redeemed and canceled or paid and canceled, there are moneys
11 remaining in said Series 2010C Redemption Account, said moneys shall be transferred to
12 the General Fund of the City or to such other fund or account as required by applicable law;
13 provided, however, that if said moneys are part of the proceeds of refunding bonds, said
14 moneys shall be transferred pursuant to the resolution authorizing such refunding bonds.

15 When notice of optional redemption has been given, substantially as provided herein,
16 and when the amount necessary for the redemption of the Series 2010C Bonds called for
17 redemption (principal, premium, if any, and accrued interest to such Redemption Date) is set
18 aside for that purpose in said Series 2010C Redemption Account, as provided herein, the
19 Series 2010C Bonds designated for redemption shall become due and payable on the
20 Redemption Date therefor, and upon presentation and surrender of said Series 2010C
21 Bonds at the place specified in the notice of redemption, such Series 2010C Bonds shall be
22 redeemed and paid at said redemption price out of said Series 2010C Redemption Account.
23 No interest will accrue on such Series 2010C Bonds called for redemption after the
24 Redemption Date and the registered owners of such Series 2010C Bonds shall look for
25 payment of such Series 2010C Bonds only to said Series 2010C Redemption Account. All

1 Series 2010C Bonds redeemed shall be canceled forthwith by the City Treasurer and shall
2 not be reissued.

3 The City may rescind any optional redemption and notice thereof for any reason on
4 any date prior to any Redemption Date by causing written notice of the rescission to be
5 given to the owners of all Series of 2010 Bonds so called for redemption. Any optional
6 redemption and notice thereof shall be rescinded if for any reason on the Redemption Date
7 funds are not or will not be available in the Series 2010A Redemption Account or the Series
8 2010C Redemption Account, as applicable, in an amount sufficient to pay in full on said date
9 the principal of, interest, and premium, if any, due with respect to the applicable Series of
10 2010 Bonds called for redemption. Notice of rescission of redemption shall be given in the
11 same manner notice of redemption was originally given. The actual receipt by the owner of
12 any Series of 2010 Bond of notice of such rescission shall not be a condition precedent to
13 rescission, and failure to receive such notice or any defect in such notice so mailed shall not
14 affect the validity of the rescission.

15 Section 9. Series 2010A Bond Account. There is hereby established with the City
16 Treasurer a special subaccount in the General Obligation Bonds (San Francisco General
17 Hospital Improvement Bonds, 2008) Bond Account (the "Bond Account") created pursuant
18 to the Authorizing Resolution to be designated the "General Obligation Bonds (San
19 Francisco General Hospital Improvement Bonds, 2008), Series 2010A Bond Account"
20 (the "Series 2010A Bond Account"), to be held separate and apart from all other accounts
21 of the City. All interest earned on amounts on deposit in the Series 2010A Bond Account
22 shall be retained in the Series 2010A Bond Account.

23 On or prior to the date on which any payment of principal of or interest on the
24 Series 2010A Bonds is due, including any Series 2010A Bonds subject to mandatory
25 redemption on said date, the City Treasurer shall allocate to and deposit in the Series

1 2010A Bond Account, from amounts held in the Bond Account, an amount which, when
2 added to any available moneys contained in the Series 2010A Bond Account, is sufficient
3 to pay principal of and interest on the Series 2010A Bonds on such date.

4 On or prior to the date on which any Series 2010A Bonds are to be redeemed at
5 the option of the City pursuant to this Resolution, the City Treasurer may allocate to and
6 deposit in the Series 2010A Redemption Account, from amounts held in the Bond
7 Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when
8 added to any available moneys contained in the Series 2010A Redemption Account, is
9 sufficient to pay principal, interest and premium, if any, with respect to such Series 2010A
10 Bonds on such date. The City Treasurer may make such other provision for the payment
11 of principal of and interest and any redemption premium on the Series 2010A Bonds as is
12 necessary or convenient to permit the optional redemption of the Series 2010A Bonds.

13 Amounts in the Series 2010A Bond Account may be invested in any investment of
14 the City in which moneys in the General Fund of the City are invested. The City
15 Treasurer may commingle any of the moneys held in the Series 2010A Bond Account
16 with other City moneys or deposit amounts credited to the Series 2010A Bond Account
17 into a separate fund or funds for investment purposes only; *provided, however*, that all of
18 the moneys held in the Series 2010A Bond Account hereunder shall be accounted for
19 separately notwithstanding any such commingling or separate deposit by the City
20 Treasurer. Any bid premium or accrued interest received upon the delivery of the Series
21 2010A Bonds shall be deposited into the Series 2010A Bond Account.

22 Series 2010C Bond Account. There is hereby established with the City Treasurer
23 a special subaccount in the Bond Account to be designated the "General Obligation
24 Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series 2010C Bond
25 Account" (the "Series 2010C Bond Account"), to be held separate and apart from all other

1 accounts of the City. All interest earned on amounts on deposit in the Series 2010C Bond
2 Account shall be retained in the Series 2010C Bond Account.

3 On or prior to the date on which any payment of principal of or interest on the
4 Series 2010C Bonds is due, including any Series 2010C Bonds subject to mandatory
5 redemption on said date, the City Treasurer shall allocate to and deposit in the Series
6 2010C Bond Account, from amounts held in the Bond Account, an amount which, when
7 added to any available moneys contained in the Series 2010C Bond Account, is sufficient
8 to pay principal of and interest on the Series 2010C Bonds on such date.

9 The City shall apply and transfer, or shall cause the City's authorized designated
10 recipient to apply and transfer, all Interest Subsidy Payments, if, as, and when received
11 by the City or the City's authorized designated recipient, to the Series 2010C Bond
12 Account, which Interest Subsidy Payments shall be applied as a credit against the
13 amounts otherwise transferable from the Bond Account on or prior to the date on which
14 any payment of principal of or interest on the Series 2010C Bonds is due, as set forth in
15 the previous paragraph, or into any fund that may be established for defeasance of the
16 Series 2010C Bonds.

17 On or prior to the date on which any Series 2010C Bonds are to be redeemed at
18 the option of the City pursuant to this Resolution, the City Treasurer may allocate to and
19 deposit in the Series 2010C Redemption Account, from amounts held in the Bond
20 Account pursuant to Section 8 of the Authorizing Resolution, an amount which, when
21 added to any available moneys contained in the Series 2010C Redemption Account, is
22 sufficient to pay principal, interest and premium, if any, with respect to such Series 2010C
23 Bonds on such date. The City Treasurer may make such other provision for the payment
24 of principal of and interest and any redemption premium on the Series 2010C Bonds as is
25 necessary or convenient to permit the optional redemption of the Series 2010C Bonds.

1 Amounts in the Series 2010C Bond Account may be invested in any investment of
2 the City in which moneys in the General Fund of the City are invested. The City
3 Treasurer may commingle any of the moneys held in the Series 2010C Bond Account
4 with other City moneys or deposit amounts credited to the Series 2010C Bond Account
5 into a separate fund or funds for investment purposes only; *provided, however*, that all of
6 the moneys held in the Series 2010C Bond Account hereunder shall be accounted for
7 separately notwithstanding any such commingling or separate deposit by the City
8 Treasurer. Any bid premium or accrued interest received upon the delivery of the Series
9 2010C Bonds shall be deposited into the Series 2010C Bond Account.

10 Section 10. Series 2010A Project Account. There is hereby established with the
11 City Treasurer a special subaccount in the General Obligation Bonds (San Francisco
12 General Hospital Improvement Bonds, 2008) Project Account (the "Project Account")
13 created pursuant to the Authorizing Resolution to be designated the "General Obligation
14 Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series 2010A
15 Project Account" (the "Series 2010A Project Account"), to be held separate and apart
16 from all other accounts of the City. All interest earned on amounts on deposit in the
17 Series 2010A Project Account shall be retained in the Series 2010A Project Account.
18 Amounts in the Series 2010A Project Account shall be expended in accordance with the
19 provisions of the Authorizing Resolution for the acquisition, construction or reconstruction
20 of the Project (as defined in the Authorizing Resolution) or portions thereof.

21 Amounts in the Series 2010A Project Account may be invested in any investment
22 of the City in which moneys in the General Fund of the City are invested. The City
23 Treasurer may commingle any of the moneys held in the Series 2010A Project Account
24 with other City moneys or deposit amounts credited to the Series 2010A Project Account
25 into a separate fund or funds for investment purposes only; *provided, however*, that all of

1 the moneys held in the Series 2010A Project Account (including interest earnings)
2 hereunder shall be accounted for separately notwithstanding any such commingling or
3 separate deposit by the City Treasurer.

4 The City Treasurer is hereby authorized to pay or cause to be paid from the
5 proceeds of the Series 2010A Bonds, on behalf of the City, the costs of issuance
6 associated with the Series 2010A Bonds. Costs of issuance of the Series 2010A Bonds
7 shall include, without limitation, bond and financial printing expenses, mailing and
8 publication expenses, rating agency fees, the fees and expenses of paying agents,
9 registrars, financial consultants, disclosure counsel and co-bond counsel and the
10 reimbursement of departmental expenses in connection with the issuance of the Series
11 2010A Bonds.

12 Series 2010C Project Account. There is hereby established with the City
13 Treasurer a special subaccount in the Project Account to be designated the "General
14 Obligation Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series
15 2010C Project Account" (the "Series 2010C Project Account"), to be held separate and
16 apart from all other accounts of the City. All interest earned on amounts on deposit in the
17 Series 2010C Project Account shall be retained in the Series 2010C Project Account.
18 Amounts in the Series 2010C Project Account shall be expended in accordance with the
19 provisions of the Authorizing Resolution for the acquisition, construction or reconstruction
20 of the Project (as defined in the Authorizing Resolution) or portions thereof.

21 Amounts in the Series 2010C Project Account may be invested in any investment
22 of the City in which moneys in the General Fund of the City are invested. The City
23 Treasurer may commingle any of the moneys held in the Series 2010C Project Account
24 with other City moneys or deposit amounts credited to the Series 2010C Project Account
25 into a separate fund or funds for investment purposes only; *provided, however*, that all of

1 the moneys held in the Series 2010C Project Account (including interest earnings)
2 hereunder shall be accounted for separately notwithstanding any such commingling or
3 separate deposit by the City Treasurer.

4 Subject to the provisions of Section 17(h)(4) hereof, the City Treasurer is hereby
5 authorized to pay or cause to be paid from the proceeds of the Series 2010C Bonds, on
6 behalf of the City, the costs of issuance associated with the Series 2010C Bonds. Costs
7 of issuance of the Series 2010C Bonds shall include, without limitation, bond and financial
8 printing expenses, mailing and publication expenses, rating agency fees, the fees and
9 expenses of paying agents, registrars, financial consultants, disclosure counsel and co-
10 bond counsel and the reimbursement of departmental expenses in connection with the
11 issuance of the Series 2010C Bonds.

12 Section 11. Appointment of Depositories and Other Agents. The City Treasurer is
13 hereby authorized and directed to appoint one or more depositories as he or she may deem
14 desirable and the procedures set forth in Section 8 hereof relating to registration of
15 ownership of each Series of 2010 Bonds and payments and redemption notices to owners
16 of each Series of 2010 Bonds may be modified to comply with the policies and procedures
17 of such depository. The City will not have any responsibility or obligation to any purchaser of
18 a beneficial ownership interest in any Series of 2010 Bonds or to any participants in such a
19 depository with respect to (i) the accuracy of any records maintained by such securities
20 depository or any participant therein; (ii) any notice that is permitted or required to be given
21 to the owners of such Series of 2010 Bonds under this Resolution; (iii) the selection by such
22 securities depository or any participant therein of any person to receive payment in the event
23 of a partial redemption of such Series of 2010 Bonds; (iv) the payment by such securities
24 depository or any participant therein of any amount with respect to the principal or
25 redemption premium, if any, or interest due with respect to such Series of 2010 Bonds;

1 (v) any consent given or other action taken by such securities depository as the owner of
2 such Series of 2010 Bonds; or (vi) any other matter.

3 The Depository Trust Company ("DTC") is hereby appointed as depository for each
4 Series of 2010 Bonds. Each Series of 2010 Bonds shall be initially issued in book-entry
5 form. Upon initial issuance, the ownership of each Series of 2010 Bond shall be
6 registered in the bond register in the name of Cede & Co., as nominee of DTC. So long
7 as each Series of 2010 Bonds is registered in book-entry form each such Series of 2010
8 Bonds shall be registered in the name of Cede & Co.

9 The City Treasurer is hereby also authorized and directed to appoint one or more
10 agents as he or she may deem necessary or desirable. To the extent permitted by
11 applicable law and under the supervision of the City Treasurer, such agents may serve as
12 paying agent, fiscal agent, rebate calculation agent or escrow agent or registrar for any
13 Series of 2010 Bonds or may assist the City Treasurer in performing any or all of such
14 functions and such other duties as the City Treasurer shall determine. Such agents shall
15 serve under such terms and conditions as the City Treasurer shall determine. The City
16 Treasurer may remove or replace agents appointed pursuant to this paragraph at any time.

17 Section 12. Defeasance Provisions. Payment of all or any portion of each Series of
18 2010 Bonds may be provided for prior to such Series of 2010 Bonds' respective stated
19 maturities by irrevocably depositing with the City Treasurer (or any commercial bank or trust
20 company designated by the City Treasurer to act as escrow agent with respect thereto):

21 (a) An amount of cash equal to the principal amount of all of such Series of
22 2010 Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in
23 the case of the portion of a Series of 2010 Bonds that are to be redeemed prior to such
24 Series of 2010 Bonds' respective stated maturities and in respect of which notice of such
25 redemption shall have been given as provided in Section 8 hereof or an irrevocable election

1 to give such notice shall have been made by the City, the amount to be deposited shall be
2 the principal amount thereof, all unpaid interest thereon to the Redemption Date, and
3 premium, if any, due on such Redemption Date; or

4 (b) Defeasance Securities (as defined below) not subject to call, except as
5 provided below in the definition thereof, maturing and paying interest at such times and in
6 such amounts, together with interest earnings and cash, if required, as will, without
7 reinvestment, as certified by an independent certified public accountant, be fully sufficient to
8 pay the principal and all unpaid interest to maturity, or to the Redemption Date, as the case
9 may be, and premium, if any, due on the portion of the Series of 2010 Bonds to be paid or
10 redeemed, as such principal and interest come due; provided, that, in the case of such
11 Series of 2010 Bonds that are to be redeemed prior to maturity, notice of such redemption
12 shall be given as provided in Section 8 hereof or an irrevocable election to give such notice
13 shall have been made by the City; then, all obligations of the City with respect to said
14 outstanding Series of 2010 Bonds shall cease and terminate, except only the obligation of
15 the City to pay or cause to be paid from the funds deposited pursuant to paragraphs (a) or
16 (b) of this Section 12, to the owners of such Series of 2010 Bonds all sums due with respect
17 thereto and the obligations of the City pursuant to Section 17 hereof; provided, that the City
18 shall have received an opinion of nationally recognized bond counsel, that provision for the
19 payment of such Series of 2010 Bonds has been made in accordance with this Section 12.

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

- 23 (1) United States Obligations (as defined below); and
24 (2) Pre-refunded fixed interest rate municipal obligations meeting the
25 following conditions: (a) the municipal obligations are not subject to redemption prior to

1 maturity, or the trustee has been given irrevocable instructions concerning their calling and
2 redemption and the issuer has covenanted not to redeem such obligations other than as set
3 forth in such instructions; (b) the municipal obligations are secured by cash or United States
4 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash
5 in the escrow fund or the Series 2010A Redemption Account or the Series 2010C
6 Redemption Account, as applicable) are sufficient to meet the liabilities of the municipal
7 obligations; (d) the United States Obligations serving as security for the municipal
8 obligations are held by the City Treasurer or, if appointed by the City Treasurer pursuant to
9 Section 11 hereof, an escrow agent or trustee; (e) the United States Obligations are not
10 available to satisfy any other claims, including those against the trustee or escrow agent;
11 and (f) the municipal obligations are rated, at the time of original deposit to the escrow fund,
12 the highest ratings category by any two Rating Agencies (as defined below).

13 For purposes of this Section 12, "United States Obligations" shall mean (i) direct and
14 general obligations of the United States of America, or obligations that are unconditionally
15 guaranteed as to principal and interest by the United States of America, including without
16 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds
17 that have been stripped by request to the Federal Reserve Bank of New York in book-entry
18 form or (ii) any security issued by an agency or instrumentality of the United States of
19 America that is selected by the Director of Public Finance that results in the escrow fund
20 being rated the highest ratings category by any two Rating Agencies at the time of the
21 initial deposit to the escrow fund and upon any substitution or subsequent deposit to the
22 escrow fund.

23 For purposes of this Section 12, "Rating Agencies" shall mean Moody's Investors
24 Service, Inc., Fitch Ratings, and Standard and Poor's Rating Services, a division of The
25 McGraw-Hill Companies, Inc., or any other nationally recognized bond rating agency that

1 is the successor to any of the foregoing rating agencies or that is otherwise established
2 after the date hereof.

3 Section 13. Official Notices of Sale. The form of proposed Official Notice of Sale
4 inviting bids for the Series 2010A Bonds (the "Series 2010A Official Notice of Sale")
5 submitted to the Board is hereby approved and adopted as the Official Notice of Sale inviting
6 bids for the Series 2010A Bonds, with such changes, additions and modifications as may be
7 made in accordance with Section 19 hereof. The form of proposed Official Notice of Sale
8 inviting bids for the Series 2010C Bonds (the "Series 2010C Official Notice of Sale")
9 submitted to the Board is hereby approved and adopted as the Official Notice of Sale inviting
10 bids for the Series 2010C Bonds, with such changes, additions and modifications as may be
11 made in accordance with Section 19 hereof. Each of the Series 2010A Official Notice of
12 Sale and the Series 2010C Official Notice of Sale is herein defined as an "Official Notice of
13 Sale."

14 Bids shall be received on the date designated by the Director of Public Finance
15 pursuant to Section 4 hereof. The Director of Public Finance is hereby authorized and
16 directed to cause to be mailed or otherwise circulated to prospective bidders for each Series
17 of 2010 Bonds copies of the applicable Official Notice of Sale, subject to such corrections,
18 revisions or additions as may be acceptable to the Director of Public Finance.

19 The Controller is hereby authorized to award each Series of 2010 Bonds to the
20 bidder whose bid represents the lowest true interest cost to the City, or, in the case of the
21 Series 2010C Bonds, the lowest net effective rate (after application of Interest Subsidy
22 Payments received from the United States Treasury), all in accordance with the procedures
23 described in the applicable Official Notice of Sale, each of which award shall be set forth in a
24 certificate signed by the Controller setting forth the terms of the applicable Series of 2010
25 Bonds and the original purchasers thereof (each, a "Bond Award"). The Controller shall

1 provide a copy of each Bond Award as soon as practicable to the Clerk of the Board of
2 Supervisors and the Director of Public Finance; provided, however, that failure to provide
3 such copies shall not affect the validity of any Bond Award.

4 Section 14. Publication of Notice of Intention to Sell Bonds. The form of proposed
5 Notice of Intention to Sell the Series 2010A Bonds and the Series 2010C Bonds (the "Notice
6 of Intention to Sell Bonds") submitted to the Board is hereby approved and adopted as the
7 Notice of Intention to Sell the Series 2010A Bonds and the Series 2010C Bonds, and the
8 Director of Public Finance is hereby authorized and directed to cause the Notice of Intention
9 to Sell Bonds, subject to such corrections, revisions or additions as may be made in
10 accordance with Section 19 hereof, to be published once in The Bond Buyer or another
11 financial publication generally circulated throughout the State of California.

12 Section 15. Sale of Series 2010A Bonds and Series 2010C Bonds; Solicitation of
13 Competitive Bids. The Board hereby authorizes the sale of each Series of 2010 Bonds by
14 solicitation of competitive bids for the purchase of such Series of 2010 Bonds on the date
15 and at the place determined in accordance with each applicable Official Notice of Sale.

16 Section 16. Official Statement. The form of proposed Preliminary Official
17 Statement describing the Series 2010A Bonds and the Series 2010C Bonds (the
18 "Preliminary Official Statement") submitted to the Board is hereby approved and adopted
19 as the Preliminary Official Statement describing the Series 2010A Bonds and the Series
20 2010C Bonds, with such additions, corrections and revisions as may be determined to be
21 necessary or desirable made in accordance with Section 19 hereof. The Controller or
22 Director of Public Finance is each hereby authorized and directed to revise the Official
23 Statement to conform it to the City's Comprehensive Annual Fiscal Report for the fiscal
24 year ended June 30, 2009, subject to review and approval by the City Attorney of the City
25 (the "City Attorney"). The Controller is hereby authorized to cause the distribution of a

1 Preliminary Official Statement deemed final for purposes of Securities and Exchange
2 Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as
3 amended (the "Rule"), and to sign a certificate to that effect. The Director of Public
4 Finance is hereby authorized and directed to cause to be printed and mailed or
5 electronically distributed to prospective bidders for each Series of 2010 Bonds copies of
6 the Preliminary Official Statement in substantially the form of the Preliminary Official
7 Statement approved and adopted hereby, as completed, supplemented, corrected or
8 revised. The Controller is authorized and directed to approve, execute, and deliver the
9 final Official Statement with respect to the Series 2010A Bonds and the Series 2010C
10 Bonds, which final Official Statement shall be in the form of the Preliminary Official
11 Statement, with such additions, corrections and revisions as may be determined to be
12 necessary or desirable made in accordance with Section 19 hereof and as are permitted
13 under the Rule. The Director of Public Finance is hereby authorized and directed to
14 cause to be printed and mailed or electronically distributed copies of the final Official
15 Statement to all actual initial purchasers of the Series 2010A Bonds or Series 2010C
16 Bonds.

17 Section 17. Tax Covenants. (a) General; Series 2010A Bonds. The City hereby
18 covenants with the holders of the Series 2010A Bonds that, notwithstanding any other
19 provisions of this Resolution, it shall not take any action, or fail to take any action, if any
20 such action or failure to take action would adversely affect the exclusion from gross
21 income of interest on the Series 2010A Bonds under Section 103 of the Code, and the
22 regulations issued thereunder, as the same may be amended from time to time, and any
23 successor provisions of law. Reference to a particular section of the Code shall be
24 deemed to be a reference to any successor to any such section. The City shall not,
25 directly or indirectly, use or permit the use of proceeds of the Series 2010A Bonds or any

1 of the property financed or refinanced with proceeds of the Series 2010A Bonds, or any
2 portion thereof, by any person other than a governmental unit (as such term is used in
3 Section 141 of the Code), in such manner or to such extent as would result in the loss of
4 exclusion of interest on the Series 2010A Bonds from gross income for federal income tax
5 purposes.

6 (b) Use of Proceeds. The City shall not take any action, or fail to take
7 any action, if any such action or failure to take action would cause the Series 2010A
8 Bonds or the Series 2010C Bonds to be "private activity bonds" within the meaning of
9 Section 141 of the Code, and in furtherance thereof, shall not make any use of the
10 proceeds of the Series 2010A Bonds or the Series 2010C Bonds or any of the property
11 financed or refinanced with proceeds of the Series 2010A Bonds or the Series 2010C
12 Bonds, or any portion thereof, or any other funds of the City, that would cause the Series
13 2010A Bonds or the Series 2010C Bonds to be "private activity bonds" within the meaning
14 of Section 141 of the Code. To that end, so long as any Series 2010A Bonds or the
15 Series 2010C Bonds are outstanding, the City, with respect to such proceeds and
16 property and such other funds, will comply with applicable requirements of the Code and
17 all regulations of the United States Department of the Treasury issued thereunder and
18 under Section 103 of the Internal Revenue Code of 1954, as amended (the "1954 Code"),
19 to the extent such requirements are, at the time, applicable and in effect. The City shall
20 establish reasonable procedures necessary to ensure continued compliance with Section
21 141 of the Code (or, if applicable, the 1954 Code) and the continued qualification of each
22 the Series 2010A Bonds and the Series 2010C Bonds as "governmental bonds." In
23 addition, the City shall insure that none of the proceeds of the Series 2010C Bonds are
24 used for any "private business use" within the meaning of Section 141 of the Code.

1 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the
2 use of any proceeds of any Series 2010A Bonds or Series 2010C Bonds, or of any
3 property financed or refinanced thereby, or other funds of the City, or take or omit to take
4 any action, that would cause the Series 2010A Bonds or the Series 2010C Bonds to be
5 "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the City
6 shall comply with all requirements of Section 148 of the Code and all regulations of the
7 United States Department of the Treasury issued thereunder to the extent such
8 requirements are, at the time, in effect and applicable to the Series 2010A Bonds or the
9 Series 2010C Bonds.

10 (d) Federal Guarantee. The City shall not make any use of the proceeds
11 of the Series 2010A Bonds or the Series 2010C Bonds or any other funds of the City, or
12 take or omit to take any other action, that would cause the Series 2010A Bonds or the
13 Series 2010C Bonds to be "federally guaranteed" within the meaning of Section 149(b) of
14 the Code. For this purpose, Interest Subsidy Payments shall not be treated as a federal
15 guaranty.

16 (e) Information Reporting. The City shall take or cause to be taken all
17 necessary action to comply with the informational reporting requirement of Section 149(e)
18 of the Code with respect to the Series 2010A Bonds and the Series 2010C Bonds.

19 (f) Hedge Bonds. The City shall not make any use of the proceeds of
20 the Series 2010A Bonds or the Series 2010C Bonds or any other amounts or property,
21 regardless of the source, or take any action or refrain from taking any action that would
22 cause the Series 2010A Bonds or the Series 2010C Bonds to be considered "hedge
23 bonds" within the meaning of Section 149(g) of the Code unless the City takes all
24 necessary action to assure compliance with the requirements of Section 149(g) of the
25 Code.

1 (g) Compliance with Tax Certificates. In furtherance of the foregoing tax
2 covenants of this Section 17, the City covenants that it will comply with the provisions of
3 each Tax Certificate to be executed by the City with respect to each of the Series 2010A
4 Bonds and the Series 2010C Bonds, respectively, dated the date of issuance of each
5 Series of 2010 Bonds, as each such Tax Certificate may be amended from time to time.
6 This covenant shall survive payment in full or defeasance of the Series 2010A Bonds or
7 the Series 2010C Bonds, as applicable.

8 (h) Additional Tax Covenants applicable to Series 2010C Bonds. The
9 following additional covenants shall apply to the Series 2010C Bonds:

10 (1) Build America Bonds; Interest Subsidy Payments. The City
11 shall take all actions necessary to assure that the proceeds of the Series 2010C Bonds
12 are expended and federal tax requirements are met so as to cause the Bonds to be
13 treated as "build America bonds" eligible for the Interest Subsidy Payments, as described
14 in Section 4 hereof.

15 (2) Form 8038-CP. The City or the City's authorized designated
16 recipient shall, within the forty-five (45) day period beginning on the day that is ninety (90)
17 days prior to each interest payment date, file Form 8038-CP (or any successor form
18 designated by the United States Department of the Treasury or the Internal Revenue
19 Service) requesting payment of the Interest Subsidy Payment with respect to such
20 interest payment date.

21 (3) Series 2010C Project Account. The City shall insure that all
22 amounts in the Series 2010C Project Account are spent solely on capital expenditures
23 with a reasonably expected economic life of one year or more.
24
25

1 (4) 2% Costs of Issuance Limitation. The City shall not permit
2 proceeds of the Series 2010C Bonds, including the investment earnings thereon, in an
3 amount in excess of two percent (2%) of the proceeds of the sale of the Series 2010C
4 Bonds to be used to pay costs of issuance. If the fees of the original purchaser of the
5 Series 2010C Bonds are retained as an underwriter's discount on the purchase of the
6 Series 2010C Bonds, such retention shall be deemed to be an expenditure of proceeds of
7 the Series 2010C Bonds for such fees and shall be applied against such two percent (2%)
8 costs of issuance limitation.

9 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure
10 Certificate (the "Continuing Disclosure Certificate") to be signed by the City to permit the
11 original purchasers of each Series of 2010 Bonds to comply with the Rule, submitted to the
12 Board is hereby approved and adopted as the Continuing Disclosure Certificate, with such
13 additions, corrections and revisions as may be determined to be necessary or desirable
14 made in accordance with Section 19 hereof, including, without limitation, the use of a
15 separate Continuing Disclosure Certificate for each Series of 2010 Bonds. The Controller is
16 hereby authorized and directed to execute the Continuing Disclosure Certificate on behalf of
17 the City and deliver the Continuing Disclosure Certificate to the original purchasers of each
18 Series of 2010 Bonds.

19 Section 19. Modification to Documents. Any City official authorized by this
20 Resolution to execute any document is hereby further authorized, in consultation with the
21 City Attorney and co-bond counsel, to approve and make such changes, additions,
22 amendments or modifications to the document or documents such official is authorized to
23 execute as may be necessary or advisable (provided that such changes, additions,
24 amendments or modifications shall not authorize an aggregate principal amount of Series
25 2010A Bonds and Series 2010C Bonds in excess of \$305,000,000 or conflict with the

1 provisions of Section 4 hereof). The approval of any change, addition, amendment or
2 modification to any of the aforementioned documents shall be evidenced conclusively by the
3 execution and delivery of the document in question.

4 Section 20. Ratification. All actions heretofore taken by officials, employees and
5 agents of the City with respect to the sale and issuance of the Series 2010A Bonds and the
6 Series 2010C Bonds are hereby approved, confirmed and ratified.

7 Section 21. Relationship to Authorizing Resolution. In the event of any conflict
8 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
9 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
10 Resolution, the City is not obligated to transfer money from the General Fund of the City to
11 the Bond Account to pay the principal of or interest on any Series of 2010 Bonds.

12 Section 22. Reimbursement. The City hereby declares its official intent to reimburse
13 prior expenditures of the City incurred prior to the issuance and sale of each Series of 2010
14 Bonds in connection with the Project or portions thereof to be financed by each Series of
15 2010 Bonds. The Board hereby declares the City's intent to reimburse the City with the
16 proceeds of each Series of 2010 Bonds for the expenditures with respect to the Project (the
17 "Expenditures" and each, an "Expenditure") made on and after that date that is no more than
18 60 days prior to adoption of this Resolution. The City reasonably expects on the date hereof
19 that it will reimburse the Expenditures with the proceeds of each Series of 2010 Bonds.

20 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
21 account under general federal income tax principles (determined in each case as of the date
22 of the Expenditure), (b) a cost of issuance with respect to the Series 2010A Bonds or the
23 Series 2010C Bonds, (c) a nonrecurring item that is not customarily payable from current
24 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as
25 such grant does not impose any obligation or condition (directly or indirectly) to repay any

1 amount to or for the benefit of the City. The maximum aggregate principal amount of the
2 Series 2010A Bonds and the Series 2010C Bonds expected to be issued for the Project is
3 \$305,000,000. The City shall make a reimbursement allocation, which is a written allocation
4 by the City that evidences the City's use of proceeds of the applicable Series of 2010 Bonds
5 to reimburse an Expenditure, no later than 18 months after the later of the date on which the
6 Expenditure is paid or the Project is placed in service or abandoned, but in no event more
7 than three years after the date on which the Expenditure is paid. The City recognizes that
8 exceptions are available for certain "preliminary expenditures," costs of issuance, certain de
9 minimis amounts, expenditures by "small issuers" (based on the year of issuance and not
10 the year of expenditure) and expenditures for construction projects of at least 5 years.

11 Section 23. Accountability Reports. Each Series of 2010 Bonds is subject to
12 accountability requirements under the City's Administrative Code and the Bond
13 Ordinance. Accountability report(s) with respect to the Series 2010A Bonds and the
14 Series 2010C Bonds shall be submitted at the time(s) and in the manner required by the
15 Administrative Code and the Bond Ordinance.

16 Section 24. General Authority. The Clerk of the Board of Supervisors, the Mayor,
17 the City Treasurer, the Director of Public Finance, the City Attorney and the Controller are
18 each hereby authorized and directed in the name and on behalf of the City to take any and
19 all steps and to issue, deliver or enter into any and all certificates, requisitions, agreements,
20 notices, consents, and other documents as may be necessary to give effect to the
21 provisions of this Resolution, including but not limited to letters of representations to any
22 depository or depositories which they or any of them might deem necessary or appropriate
23 in order to consummate the lawful issuance, sale and delivery of the Series 2010A Bonds or
24 the Series 2010C Bonds.

1 APPROVED AS TO FORM:

2 DENNIS J. HERRERA
3 City Attorney

4 By: Kenneth David Roux
5 Kenneth David Roux
6 Deputy City Attorney

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



City and County of San Francisco

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

Tails
Resolution

File Number: 100024

Date Passed: February 09, 2010

Resolution authorizing and directing the sale of not to exceed \$305,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series 2010A, and City and County of San Francisco General Obligation Bonds (San Francisco General Hospital Improvement Bonds, 2008), Series 2010C (Federally Taxable Build America Bonds); 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 thereto; 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; approving modifications to documents; 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.

February 09, 2010 Board of Supervisors - ADOPTED

Ayes: 9 - Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi
Excused: 2 - Alioto-Pier and Avalos

File No. 100024

I hereby certify that the foregoing Resolution was ADOPTED on 2/9/2010 by the Board of Supervisors of the City and County of San Francisco.

Mayor Gavin Newsom

Angela Calvillo
Clerk of the Board

18 February 2010
Date Approved