

RESOLUTION NO. 206157

JUL 27 1972

A RESOLUTION APPROVING THE ORGANIZATION OF COMMUNITY HOSPITAL OF SAN DIEGO AND MEMBERS OF ITS GOVERNING BODY, AND ITS PROPOSAL TO FINANCE ACQUISITION OF AND ADDITIONS TO A HOSPITAL BY ISSUANCE OF A TAX-EXEMPT OBLIGATION, AND ACCEPTING A HOSPITAL FACILITY.

WHEREAS, by Resolution heretofore adopted, this Council has expressed its approval in principle of a proposal of Community Hospital of San Diego (hereinafter "Community") to acquire certain real property within the City of San Diego and the extended care facility now located thereon, and to construct thereon an acute care hospital, paying the cost thereof from the proceeds obtained by Community from the sale and issuance of its obligations pursuant to a Ruling to be obtained from the Internal Revenue Service that the interest payable on such obligations is normally exempt from federal income taxes. In that Resolution it was provided that before final Council action regarding the transaction, certain specified conditions would have to be satisfied and certain documents submitted to the City for review and approval; and,

WHEREAS, the City has now received from Community draft copies of the following documents, the forms of which are on file with the Clerk of City as Document No. 740880 :

1. Amended Articles of Incorporation of Community Hospital of San Diego;
2. Bylaws of Community Hospital of San Diego;
3. Indenture of Mortgage and Deed of Trust, Community Hospital of San Diego to Trustee;
4. Hospital Lease between Community Hospital of San Diego and Community Hospital of San Diego Management Company;

5. Certificate and Declaration of Beneficial Interest;
6. Escrow Agreement;
7. Corporation Grant Deed;
8. Bill of Sale;
9. Option Agreement;
10. Agreement of Indemnification;
11. Opinion of Counsel (Blacker & Stauber) for Community Hospital of San Diego Management Company and for Pacific Coast Medical Enterprises and Proposed Opinions regarding City liability;
12. Opinion of Counsel (Montgomery & Ritchey) for Community Hospital of San Diego regarding City liability;
13. Opinion Form of Bond Counsel (Dorsey, Marquart, Windhorst, West & Halladay) regarding City liability;
14. Opinion of Counsel, Glenn, Wright, Jacobs & Schell regarding City liability.

WHEREAS, the law firm of Glenn, Wright, Jacobs & Schell has reviewed the submitted draft documents and rendered its report and opinion as to the effect of such documents relative to the issuance of the bonds and operation of the hospital facility; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. It is hereby found, determined and declared that the conditions heretofore specified by this Council for approval by the City of the proposal of Community are satisfied by the documents hereinabove referred to, with the exception stated in the following Paragraph No. 2.

2. The requirement that the law firm representing Community provide legal services without cost to defend the City in the event of a suit, as provided at Paragraph 8 of the City Manager's Report of April 27, 1972, on file with the Clerk of City as Document No. 739874, has not and need not be satisfied.

3. It is further found, determined and declared that the proposal of Community to acquire the existing extended care facility and to construct an acute care hospital within the City of San Diego, and financing such construction, including incidental costs, by the issuance of Bonds bearing interest normally exempt from federal income taxes will be in the interest of the residents of San Diego and will not impose any obligation or burden upon the City prior to the vesting of title to the facility in the City.

4. The organization and purposes of Community, specified in its Articles of Incorporation and Bylaws and proposed amendments to each as set forth in the forms on file with the Clerk of City as Document No. 740880 are hereby approved.

5. The present Directors of Community, Ted Patrick, Lee King, Jr., Robert R. Lopez, Ross Provence, are hereby approved as its Directors, and Ellsworth P. Pryor, Jr., and Robert E. Shaffer are also hereby approved as Directors.

6. This Council, on behalf of the City of San Diego, hereby accepts from Community the transfer of the Hospital Facility as defined in the forms of the above-referenced documents which are on file with the Clerk of City as Document No. 740880, when all of the First Mortgage Bonds referred to in said documents have been paid, and hereby agrees that title thereto will vest in the City

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of San Diego upon such payment and after delivery out of escrow of the Grant Deed and the Bill of Sale on the Hospital Facility, and hereby accepts the option to purchase the Hospital Facility before that date upon certain events and conditions therein specified.

7. The City Manager is hereby authorized, on behalf of the City, to sign the Escrow Agreement and accept the Agreement of Indemnification from Community, Community Hospital of San Diego Management Company and Pacific Coast Medical Enterprises.

8. The City hereby approves the leasing of said Hospital Facility by Community to Community Hospital of San Diego Management Company, the form of the hospital lease on file with the Clerk of City as Document No. 740880, and the issuance of Bonds of Community to finance the project as provided in the form of Indenture of Mortgage and Deed of Trust on file with the Clerk of City as Document No. 740880.

9. This Resolution shall become effective upon issuance of a final written report by the law firm of Glenn, Wright, Jacobs & Schell that the documents as executed contain no material change from the forms of documents referred to herein which are on file with the Clerk of City as Document No. 740880, and determination by the City Attorney by written endorsement thereon that such written report complies in all respects with this paragraph 9.

APPROVED: JOHN H. WITT, City Attorney

By H. Valderhaug  
Harold Valderhaug, Deputy

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Passed and adopted by the Council of The City of San Diego on .....  
by the following vote:

RECEIVED  
CITY CLERK'S OFFICE  
1972 JUL 26 AM 11:12  
SAN DIEGO, CALIF.

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Landt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Martinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Allen Hitch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Bates	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON  
Mayor of The City of San Diego, California.

(Seal)

EDWARD NIELSEN  
City Clerk of The City of San Diego, California.

By *Edward Nielsen*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **206157** Adopted **JUL 27 1972**