

RESOLUTION NO. 206158

JUL 27 1972

A RESOLUTION APPROVING THE ORGANIZATION OF DOCTORS HOSPITAL OF SAN DIEGO, INCORPORATED AND MEMBERS OF ITS GOVERNING BODY, AND ITS PROPOSAL TO FINANCE ACQUISITION, REMODELING AND EXPANSION OF A HOSPITAL BY ISSUANCE OF TAX-EXEMPT OBLIGATIONS AND ACCEPTING A HOSPITAL FACILITY.

WHEREAS, by its Resolution No. 205709 heretofore adopted, this Council has expressed its approval in principle of a proposal of Doctors Hospital of San Diego, Incorporated (hereinafter "Doctors Hospital") for its acquisition and expansion of an existing hospital facility within the City of San Diego through the corporation's issuance and sale of its bonds 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 Doctors Hospital draft copies of the following documents, the forms of which are on file with the Clerk of City as Document No. 740881:

1. Indenture of Mortgage and Deed of Trust;
2. Indenture relating to Hospital Subordinated Limited Revenue Notes;
3. Articles of Incorporation of Doctors Hospital of San Diego, Incorporated;
4. Proposed Amendments to Articles of Incorporation;

5. Bylaws of Doctors Hospital of San Diego, Incorporated;
6. Proposed Amendments to Bylaws;
7. Corporation Grant Deed;
8. Bill of Sale;
9. Indemnity Agreement from Doctors Hospital of San Diego, Incorporated to City;
10. Opinion of Counsel for Doctors Hospital of San Diego, Incorporated (Gray, Cary, Ames & Frye) regarding City liability;
11. Opinion Form of Bond Counsel (Dorsey, Marquart, Windhorst, West & Halladay) regarding City liability;
12. Opinion of Counsel, Glenn, Wright, Jacobs & Schell regarding City liability.

WHEREAS, since adoption of Resolution No. 205709 by this Council, Doctors Hospital has advised the City Attorney's office of the corporation's intention to issue and sell Subordinated Limited Revenue Notes in the face amount of \$3,000,000.00 for the purpose of providing additional financing necessary for the acquisition and expansion of the hospital facility; which notes are to be issued and sold contemporaneously with the issuance and sale of the subject bonds; the notes are to mature serially from August 1, 1975, through August 1, 1984 to the extent that there is sufficient cash flow from the operation of the hospital facility after provision for annual bond payments - but in no event later than August 1, 2009.

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

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issuance of the bonds, notes 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 Doctors Hospital 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 Doctors Hospital 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 Doctors Hospital for the acquisition, remodeling and conversion of the Hospital Facility within the City of San Diego, and financing such construction, including incidental costs, by the issuance of Bonds and Notes 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 vacility in the City.

4. The organization and purposes of Doctors Hospital 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. 740881 are hereby approved.

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revised 8/4/72

5. The following named persons are hereby approved as Directors of Doctors Hospital: C. M. Smith, M.D., Ralph L. Coleman, M.D., John B. Clark, Jr., Lamar H. Hunt, Richard E. Bowers, M.D., Robert K. Gault, Dr. Robert M. Homiston, Jack Warrens, D.M.D., and William Wagner.

6. This Council, on behalf of the City of San Diego, hereby accepts from Doctors Hospital 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. 740881, when all of the First Mortgage Bonds and said Hospital Subordinated Limited Revenue Notes referred to in said documents have been paid, and hereby agrees that title thereto will vest in the City of San Diego upon such payment and after delivery to the City of San Diego 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 specified in said Indenture.

7. The City Manager is hereby authorized, on behalf of the City, to accept the Agreement of Indemnification from Doctors Hospital.

8. The City hereby approves the issuance of the Bonds and Notes of Doctors Hospital as provided in the form of Indenture of Mortgage and Deed of Trust and in the Indenture relating to said Notes in the form of such documents on file with the Clerk of City as Document No. 740881.

9. This Resolution shall become effective upon issuance

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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. 740881, and determination by the City Attorney by written endorsement thereon that such written report complies in all respects with this paragraph 9.

APPROVED: JOHN W. 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:

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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 *Henry M. Noel*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **206158** Adopted **JUL 27 1972**

eh