

RESOLUTION NO. 379

**RESOLUTION OF THE
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
RELATING TO THE ISSUANCE OF REVENUE BONDS
FOR STANFORD HOSPITAL AND CLINICS**

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the "Act") to issue revenue bonds to finance construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities by participating health institutions (including by reimbursing expenditures made or refinancing indebtedness incurred for such purpose) and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority;

WHEREAS, Stanford Hospital and Clinics, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation") has applied to the Authority for the issuance of one or more series of revenue bonds of the Authority on behalf of the Corporation in an aggregate principal amount not to exceed \$575,000,000 (the "Bonds") for the purposes of (1) financing the construction, expansion, remodeling, renovation, furnishing and equipping of health facilities to be owned and operated by the Corporation (including by reimbursing expenditures made or refinancing indebtedness incurred by the Corporation for such purpose) (as further described in Part I of Exhibit A attached, hereto, the "2012 Series Project"), (2) refunding the California Health Facilities Financing Authority Revenue Bonds (Stanford Hospital and Clinics), 2003 Series A (the "2003 Series A Bonds"), which financed the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of health facilities owned and operated by the Corporation (as further described in Part II of Exhibit A attached, hereto, the "2003 Series Project," and, together, with the 2012 Series Project, hereinafter collectively referred to as the "Project"), and (3) paying costs of issuance of the Bonds if desired by the Corporation;

WHEREAS, such revenue bonds or any series thereof may be publicly offered or privately placed;

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the California Government Code, the Corporation has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a "project" under such division; and

WHEREAS, approval of the terms of issuance and sale of the Bonds and various related matters is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. Pursuant to the Act, revenue bonds of the Authority designated as the "California Health Facilities Financing Authority Revenue Bonds (Stanford Hospital and Clinics), 2012 Series," in a total aggregate principal amount not to exceed \$575,000,000 are

hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the indenture pursuant to which the Bonds of such series will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the second WHEREAS paragraph above.

Section 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to enter into agreements to sell the Bonds in one or more series, on one or more sale dates, at any time prior to the first anniversary of the date of the adoption of this Resolution, at public or private sale, in such aggregate amount (not to exceed the aggregate principal amount set forth in Section 1 hereof) and in such series, at such price or prices and at such interest rate or rates as the Treasurer, with the advice and consent of the Corporation, may determine. The Bonds or any series thereof may be publicly offered by the underwriters identified below or privately placed with one of the purchasers identified below. Unless privately placed with one of the purchasers identified below, the Bonds shall, at issuance, be rated investment grade by a nationally recognized rating agency. The Bonds or any series thereof may, at the sole option of the Corporation, be secured or supported by a credit facility and/or liquidity facility satisfying the terms of the indenture pursuant to which Bonds of such series will be issued.

Section 3. The following documents:

(i) a Loan Agreement (the "Fixed Rate Loan Agreement") relating to certain of the Bonds proposed to be issued as fixed rate bonds (the "Fixed Rate Bonds"), between the Authority and the Corporation;

(ii) an Indenture relating to the Fixed Rate Bonds (the "Fixed Rate Indenture"), between the Authority and U.S. Bank National Association ("U.S. Bank"), as trustee;

(iii) a preliminary official statement relating to the Fixed Rate Bonds (the "Fixed Rate Preliminary Official Statement");

(iv) a Bond Purchase Contract, including the exhibits thereto, relating to the Fixed Rate Bonds (hereinafter collectively referred to as the "Fixed Rate Purchase Contract"), among Morgan Stanley & Co., LLC ("Morgan Stanley"), acting on behalf of itself and as representative of the other underwriters identified therein (the "Underwriters"), the Treasurer and the Authority, and approved by the Corporation if the Fixed Rate Bonds or any series thereof are underwritten and sold in a public offering;

(v) a Loan Agreement (the "Variable Rate Loan Agreement") relating to certain of the Bonds proposed to be issued as variable rate bonds (the "Variable Rate Bonds"), between the Authority and the Corporation;

(vi) an Indenture relating to the Variable Rate Bonds (the "Variable Rate Indenture"), between the Authority and U.S. Bank, as trustee;

(vii) a preliminary official statement relating to the Variable Rate Bonds (the "Variable Rate Preliminary Official Statement"); and

(viii) a Bond Purchase Contract, including the exhibits thereto, relating to the Variable Rate Bonds (hereinafter collectively referred to as the "Variable Rate Purchase Contract," and, together with the Fixed Rate Purchase Contract, hereinafter collectively referred to as the "Purchase Contracts"), among Morgan Stanley, acting on behalf of itself and as representative of the other Underwriters, the Treasurer and the Authority, and approved by the Corporation if the Variable Rate Bonds or any series of Variable Rate Bonds are underwritten and sold in a public offering.

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, such insertions, deletions or changes therein as shall be necessary to reflect the terms of a credit facility and/or liquidity facility for any series of Bonds or the private placement of any series of Bonds with either of the purchasers identified below) as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and/or delivery thereof. In addition to the documents specified above, if any series of Bonds are privately placed, the Executive Director is hereby authorized to enter into an agreement (hereinafter referred to as a "Private Placement Purchase Contract") with either Union Bank, N.A. or U.S. Bank National Association (each, a "Private Placement Purchaser"), such Private Placement Purchaser to be selected by the Corporation, which Private Placement Purchase Contract shall be in such form as shall be acceptable to the Executive Director, with the advice and consent of the Corporation, which acceptability shall be conclusively evidenced by the execution and delivery thereof by the Executive Director.

Section 4. The Authority hereby specifically finds and declares that the findings of the Authority set forth in the Fixed Rate Loan Agreement and the Variable Rate Loan Agreement (hereinafter collectively referred to as the "Loan Agreements") are true and correct.

Section 5. The dated dates, maturity dates (not exceeding 40 years from the date of issue), interest rates or methods of determining interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of redemption, terms of tender or purchase, provisions governing transfer, and other terms of the Bonds, including provisions relating to credit facilities and/or liquidity facilities as applicable from time to time, shall be as provided in the Fixed Rate Indenture, as finally executed, or the Variable Rate Indenture, as finally executed, as applicable (the Fixed Rate Indenture and the Variable Rate Indenture being hereinafter collectively referred to as the "Indentures").

Section 6. The Underwriters are hereby authorized and directed to distribute the Fixed Rate Preliminary Official Statement and the Variable Rate Official Statement to persons who may be interested in the purchase of the Bonds offered in the issuance. The Underwriters are hereby directed to deliver a final Official Statement relating to the Fixed Rate Bonds (the "Fixed Rate Official Statement") to all actual purchasers of the Fixed Rate Bonds and to deliver a final Official Statement (the "Variable Rate Official Statement," and, together with the Fixed Rate Official Statement, hereinafter collectively referred to as the "Official Statements") to all actual purchasers of the Variable Rate Bonds. Neither a Fixed Rate Official Statement nor a Variable Rate Official Statement, as applicable, shall be required in the event a series of Bonds is privately placed.

Section 7. The Fixed Rate Bonds, when executed pursuant to the Fixed Rate Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Fixed Rate Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Fixed Rate Bonds, when duly executed and authenticated, to or upon the direction of the Underwriters and/or the Private Placement Purchaser thereof, as applicable, in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved.

Section 8. The Variable Rate Bonds, when executed pursuant to the Variable Rate Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Variable Rate Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Variable Rate Bonds, when duly executed and authenticated, to or upon the direction of the Underwriters and/or the Private Placement Purchaser thereof, as applicable, in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved.

Section 9. Each officer of the Authority is hereby authorized and directed to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Indentures, the Loan Agreements, the Purchase Contracts, a Private Placement Purchase Contract, if any, and the Official Statements. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) certificates; (b) a tax certificate and agreement; (c) an escrow agreement to be entered into in connection with the refunding of the 2003 Series A Bonds; and (d) any agreement with respect to the provision of a credit facility and/or a liquidity facility for any series of the Bonds.

Section 10. The provisions of the Authority's Resolution No. 2011-15 apply to the documents and actions approved in this Resolution.

Section 11. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 12. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____.

Exhibit A

Description of the Project

Part I - 2012 Series Project

Stanford Hospital and Clinics (the "Corporation") has requested the issuance of revenue bonds to finance a portion of the costs of the renewal and replacement of its acute care hospital facility. The renewal and replacement contemplated by the Corporation consists of the construction and equipping of a replacement acute care hospital facility to be located in Palo Alto and Stanford, California, at and in the vicinity of the area bounded by Welch Road, Quarry Road and Campus Drive, including, 300 Pasteur Drive, 900 Blake Wilbur Drive and 1101 Welch Road. The replacement hospital facility will accommodate new medical technology, increase capacity by 144 beds, include a new Level I trauma center and state-of-the-art surgical, diagnostic and treatment rooms, and meet seismic safety requirements. In addition, proceeds may be applied to renovate the Hoover Pavilion located at 211 Quarry Road, Palo Alto, California, which the Corporation anticipates using to provide outpatient services.

Part II - 2003 Series Project

If there are debt service savings at the time of pricing, the Corporation intends to refund the California Health Facilities Financing Authority Revenue Bonds (Stanford Hospital and Clinics), 2003 Series A (the "2003 Series A Bonds"), which financed a portion of the costs of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of health facilities owned and operated by the Corporation, including renovation of the existing acute care hospital facility located at 300 Pasteur Drive, Palo Alto, California, and acquisition of facilities located at 420 Broadway Avenue, 430 Broadway Avenue, 440 Broadway Avenue and 450 Broadway Avenue, Redwood City, California which provide outpatient services.