

1 [2008 Finance Corporation Equipment Program.]

2  
3 **Resolution approving the form of and authorizing execution and delivery by the City**  
4 **and County of San Francisco of an Equipment Lease Supplement No. 15 (Series 2008A**  
5 **Bonds) between the City and County of San Francisco Finance Corporation, as lessor,**  
6 **and the City and County of San Francisco, as lessee, with respect to the equipment to**  
7 **be used for city purposes, a related certificate of approval and a continuing disclosure**  
8 **certificate; approving the issuance of lease revenue bonds by said nonprofit**  
9 **corporation in an amount not to exceed \$13,500,000; approving the form of the official**  
10 **statement in preliminary and final form; providing for reimbursement to the City and**  
11 **County of San Francisco of certain city expenditures incurred prior to the issuance of**  
12 **lease revenue bonds; and providing for the execution of documents in connection**  
13 **therewith.**

14  
15 WHEREAS, Pursuant to Section 9.108(3) of the Charter of the City and County of  
16 San Francisco (the "Charter"), the Board of Supervisors of the City and County of  
17 San Francisco (the "Board of Supervisors") may approve lease financing involving a nonprofit  
18 corporation established for such purposes for the acquisition of equipment, the obligations  
19 with respect to which shall not exceed in the aggregate at one time a principal amount of \$20  
20 million increased by five percent in each fiscal year commencing with fiscal year 1990-1991,  
21 provided that the Controller of the City and County of San Francisco or his designee  
22 (collectively, the "Controller") makes the certification required by said section of the Charter  
23 prior to the sale of such obligations; and,

24 WHEREAS, The City and County of San Francisco Finance Corporation (the  
25 "Corporation"), a California nonprofit public benefit corporation, has been formed to, among

1 other purposes, serve as the nonprofit corporation pursuant to Section 9.108(3) of the  
2 Charter; and,

3 WHEREAS, The Board of Supervisors has previously entered into an equipment lease  
4 (the "Equipment Lease") with the Corporation to provide for the acquisition, construction and  
5 installation by the Corporation of equipment to be used for the purposes of the City and  
6 County of San Francisco (the "City") and the leasing of said equipment and certain equipment  
7 subject to existing leases to the City; and,

8 WHEREAS, The Board of Supervisors has determined to enter into an Equipment  
9 Lease Supplement No. 15 (Series 2008A Bonds) (the "Equipment Lease Supplement") to  
10 provide for the acquisition, construction and installation of additional equipment to be used for  
11 City purposes by the Corporation and the leasing of said equipment to the City; and,

12 WHEREAS, The Corporation proposes to issue its lease revenue bonds designated as  
13 the "City and County of San Francisco Finance Corporation Lease Revenue Bonds  
14 Series 2008A" (the "Bonds"), secured by base rentals to be paid by the City under the  
15 Equipment Lease as modified by said Equipment Lease Supplement; and,

16 WHEREAS, The Board of Supervisors is authorized to approve the execution and  
17 delivery of the Equipment Lease Supplement and the issuance of the Bonds pursuant to a  
18 resolution duly adopted by the Board of Supervisors; and,

19 WHEREAS, Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule")  
20 requires that an "obligated person" (as defined in the Rule) agree to provide certain annual  
21 financial information and notice of certain specified events, if material, to Participating  
22 Underwriters (as defined in the Rule), to bondholders and beneficial owners of the Bonds, and  
23 the City is an obligated person; now, therefore, be it

24 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as  
25 follows:

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

2           Section 2. Approval of Form of Equipment Lease Supplement and Certificate of  
3 Approval. In accordance with the recommendation of the Office of Public Finance of the City,  
4 the form of the Equipment Lease Supplement by and between the Corporation and the City  
5 and the related Certificate of Approval presented to this Board of Supervisors, copies of which  
6 are on file with the Clerk of the Board of Supervisors in File No.           , and which are hereby  
7 declared to be a part of this resolution as if set forth fully herein, are hereby approved. The  
8 Mayor of the City or his designee (collectively, the “Mayor”) is hereby authorized to execute  
9 the Equipment Lease Supplement and the related Certificate of Approval, and the Clerk of the  
10 Board of Supervisors or the designee of such officer (collectively, the “Clerk of the Board”) is  
11 hereby authorized to attest and affix the seal of the City on the Equipment Lease Supplement,  
12 in substantially the forms presented to the Board of Supervisors, with such modifications,  
13 changes, or additions as the Mayor may approve in accordance with Section 3 hereof.

14           Section 3. Modifications to Equipment Lease Supplement and Certificate of Approval.

15 The Mayor is hereby authorized to approve and make such modifications, changes or  
16 additions to the Equipment Lease Supplement and the Certificate of Approval, upon  
17 consultation with the City Attorney of the City, as may be necessary or desirable in the  
18 interests of the City, and which changes do not materially increase the obligations of the City  
19 under the Equipment Lease, as supplemented by the Equipment Lease Supplement, such  
20 approval to be conclusively evidenced by the execution and delivery by the Mayor and the  
21 Clerk of the Board of the Equipment Lease Supplement and by the Mayor of the Certificate of  
22 Approval; provided, however, that the total project costs of the project (the “Project”) to be  
23 financed with the proceeds of the Bonds shall not exceed \$13,500,000, that the maximum  
24 interest rate on the Bonds shall not exceed 12% per annum and that the Equipment Lease  
25 Supplement shall have a termination date no later than October 1, 2018.

1           Section 4. Approval of Issuance of the Bonds. The issuance by the Corporation of not  
2 to exceed \$13,500,000 aggregate principal amount of City and County of San Francisco  
3 Finance Corporation Lease Revenue Bonds, Series 2008A to be secured by the payment of  
4 base rental by the City pursuant to the Equipment Lease, as supplemented by the Equipment  
5 Lease Supplement, is hereby approved; provided, however, that the Bonds shall not be  
6 issued unless prior to the sale thereof the Controller certifies that in his opinion the net interest  
7 cost to the City will be lower as a result of the issuance of the Bonds than other financings  
8 involving a lease or leases.

9           Section 5. Approval of the Official Statement in Preliminary and Final Form. The form  
10 of the Official Statement relating to the Bonds (the "Official Statement"), as presented to this  
11 Board, a copy of which is on file in preliminary form with the Clerk of the Board in File  
12 No.           , and which is hereby declared to be a part of this resolution as if set forth fully  
13 herein, is hereby approved. The Director of Public Finance, or her designee (collectively, the  
14 "Director of Public Finance") is hereby authorized to approve the distribution of the preliminary  
15 Official Statement, with such changes, additions, modifications or deletions as the Director of  
16 Public Finance may approve upon consultation with the City Attorney; such approval to be  
17 conclusively evidenced by the distribution of the preliminary Official Statement to potential  
18 purchasers of the Bonds. The Controller of the City is hereby authorized to execute, and the  
19 Director of Public Finance is hereby further authorized to approve the distribution of, the  
20 Official Statement in final form.

21           Section 6. Reimbursement of Certain Expenditures. In the event that the City pays  
22 certain capital expenditures from its general fund in connection with the equipment listed on  
23 Exhibit A to the Equipment Lease Supplement (the "Equipment") as finally executed and as  
24 may be amended from time to time in connection with the issuance of the Bonds or other  
25 indebtedness for the Equipment, and to the extent that the City has already made such

1 payments in connection with the Equipment, all such payments will be and have been made  
2 with the reasonable expectation by the City that such payments for such expenditures will be  
3 reimbursed from the proceeds of the Bonds or such other indebtedness. Pursuant to  
4 Treasury Regulation Section 1.150-2, the City hereby declares its official intent to be  
5 reimbursed from the proceeds of the Bonds or other indebtedness for such Equipment  
6 expenditures. Section 6 of this Resolution is approved by the City solely for the purposes of  
7 establishing compliance with the requirements of Section 1.150-2 of the Treasury  
8 Regulations, and does not bind the City or the Corporation to make any expenditure, incur any  
9 indebtedness or proceed with the Project.

10 Section 7. Approval of Form of Continuing Disclosure Certificate. The form of  
11 Continuing Disclosure Certificate (the "Certificate") to be executed and delivered by the City, a  
12 copy of which is on file with the Clerk of the Board in File No. \_\_\_\_\_, and which is hereby  
13 declared to be a part of this resolution as if set forth fully herein, is hereby approved. The  
14 Mayor or the Controller is hereby authorized to execute the Certificate, in substantially the  
15 form presented to the Board of Supervisors, with such modifications, changes or additions as  
16 the Mayor or the Controller may make or approve upon consultation with the City Attorney,  
17 such approval to be conclusively evidenced by the execution and delivery of the Certificate.

18 Section 8. General Authorization. The Mayor, the City Attorney, the Controller, the  
19 Director of Public Finance, the Clerk of the Board and the other officers of the City and their  
20 duly authorized deputies and agents are hereby authorized and directed, jointly and severally,  
21 to execute and deliver such certificates, requests or other documents and agreements,  
22 including, but not limited to, certificates relating to the official statement for the Bonds in  
23 preliminary or final form or to other offering material relating to the Bonds, or relating to the  
24 purchase of bond insurance, if any, on the Bonds, as they may deem necessary or desirable  
25 to facilitate the execution and delivery by the City of the Equipment Lease Supplement and of

1 the Certificate of Approval and the consummation of the financing contemplated thereby, and  
2 to otherwise carry out the provisions of this Resolution.

3

4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA, City Attorney

6

7

8 By: \_\_\_\_\_  
MICHAEL J. MARTIN  
9 Deputy City Attorney

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25