

1 [Equipment Lease - 2011 Finance Corporation Equipment Program – Not to Exceed
2 \$16,500,000]

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4 **Resolution approving the form of and authorizing execution and delivery by the City**
5 **and County of San Francisco of an Equipment Lease Supplement No. 17 (Series 2011A**
6 **Bonds) between the City and County of San Francisco Finance Corporation, as lessor,**
7 **and the City and County of San Francisco, as lessee, with respect to certain equipment**
8 **to be used for city purposes, a related certificate of approval and a continuing**
9 **disclosure certificate; approving the issuance of lease revenue bonds by said nonprofit**
10 **corporation in an amount not to exceed \$16,500,000; approving the form of the official**
11 **statement and the distribution thereof in preliminary and final form; providing for**
12 **reimbursement to the City and County of San Francisco of certain city expenditures**
13 **incurred prior to the issuance of lease revenue bonds; and providing for the execution**
14 **of documents in connection therewith.**

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

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1 WHEREAS, The City and County of San Francisco Finance Corporation (the
2 “Corporation”), a California nonprofit public benefit corporation, has been formed to, among
3 other purposes, serve as the nonprofit corporation pursuant to Section 9.108(3) of the
4 Charter; and,

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

10 WHEREAS, The Board of Supervisors has determined to enter into an Equipment
11 Lease Supplement No. 17 (Series 2011A Bonds) (the “Equipment Lease Supplement” and,
12 together with the Equipment Lease, the “Lease”) to provide for the acquisition, construction
13 and installation of additional equipment to be used for City purposes by the Corporation and
14 the leasing of said equipment to the City; and,

15 WHEREAS, The Corporation proposes to issue its lease revenue bonds designated as
16 the “City and County of San Francisco Finance Corporation Lease Revenue Bonds,
17 Series 2011A (Equipment Program)” (the “Bonds”), secured by base rentals to be paid by the
18 City under the Lease; and,

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

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

3 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
4 follows:

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

6 Section 2. Approval of Form of Equipment Lease Supplement and Certificate of
7 Approval. In accordance with the recommendation of the Office of Public Finance of the City,
8 the form of the Equipment Lease Supplement, by and between the Corporation and the City,
9 and the related Certificate of Approval presented to this Board of Supervisors, copies of which
10 are on file with the Clerk of the Board of Supervisors in File No. 110287, and which are
11 hereby declared to be a part of this resolution as if set forth fully herein, are hereby approved.
12 The Mayor of the City or his designee (collectively, the "Mayor") is hereby authorized to
13 execute the Equipment Lease Supplement and the related Certificate of Approval, and the
14 Clerk of the Board of Supervisors or the designee of such officer (collectively, the "Clerk of the
15 Board") is hereby authorized to attest and affix the seal of the City on the Equipment Lease
16 Supplement, in substantially the forms presented to the Board of Supervisors, with such
17 modifications, changes, or additions as the Mayor may approve in accordance with Section 3
18 hereof.

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

20 The Mayor is hereby authorized to approve and make such modifications, changes or
21 additions to the Equipment Lease Supplement and the Certificate of Approval, upon
22 consultation with the City Attorney of the City, as may be necessary or desirable in the
23 interests of the City, and which changes do not materially increase the obligations of the City
24 under the Lease, such approval to be conclusively evidenced by the execution and delivery by
25 the Mayor and the Clerk of the Board of the Equipment Lease Supplement and by the Mayor

1 of the Certificate of Approval; provided, however, that the total project costs of the acquisition,
2 construction and installation of equipment to be financed with the proceeds of the Bonds (the
3 “Project”) shall not exceed \$16,500,000, that the maximum interest rate on the Bonds shall
4 not exceed 10% per annum and that the Equipment Lease Supplement shall have a
5 termination date no later than April 1, 2018.

6 Section 4. Approval of Issuance of the Bonds. The issuance by the Corporation of not
7 to exceed \$16,500,000 aggregate principal amount of City and County of San Francisco
8 Finance Corporation Lease Revenue Bonds, Series 2011A (Equipment Program), to be
9 secured by the payment of base rental by the City pursuant to the Lease, is hereby approved;
10 provided, however, that the Bonds shall not be issued unless prior to the sale thereof the
11 Controller certifies that in his opinion the net interest cost to the City will be lower as a result of
12 the issuance of the Bonds than other financings involving a lease or leases.

13 Section 5. Approval of the Official Statement in Preliminary and Final Form. The form
14 of the Official Statement relating to the Bonds (the “Official Statement”), as presented to this
15 Board, a copy of which is on file in preliminary form with the Clerk of the Board in File
16 No. 110287, and which is hereby declared to be a part of this resolution as if set forth fully
17 herein, is hereby approved. The Director of Public Finance, or her designee (collectively, the
18 “Director of Public Finance”) is hereby authorized to approve the distribution of the preliminary
19 Official Statement, with such changes, additions, modifications or deletions as the Director of
20 Public Finance may approve upon consultation with the City Attorney; such approval to be
21 conclusively evidenced by the distribution of the preliminary Official Statement to potential
22 purchasers of the Bonds. The Controller of the City is hereby authorized to execute, and the
23 Director of Public Finance is hereby further authorized to approve the distribution of, the
24 Official Statement in final form.

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1 Section 6. Reimbursement of Certain Expenditures. In the event that the City pays
2 certain capital expenditures from its general fund in connection with the equipment listed on
3 Exhibit A to the Equipment Lease Supplement (the “Equipment”) as finally executed and as
4 may be amended from time to time in connection with the issuance of the Bonds or other
5 indebtedness for the Equipment, and to the extent that the City has already made such
6 payments in connection with the Equipment, all such payments will be and have been made
7 with the reasonable expectation by the City that such payments for such expenditures will be
8 reimbursed from the proceeds of the Bonds or such other indebtedness. Pursuant to
9 Treasury Regulation Section 1.150-2, the City hereby declares its official intent to be
10 reimbursed from the proceeds of the Bonds or other indebtedness for such Equipment
11 expenditures. Section 6 of this Resolution is approved by the City solely for the purposes of
12 establishing compliance with the requirements of Section 1.150-2 of the Treasury
13 Regulations, and does not bind the City or the Corporation to make any expenditure, incur any
14 indebtedness or proceed with the Project.

15 Section 7. Title to the Equipment. The City will accept title to the Equipment, including
16 any additions to the Equipment, as provided under the Lease.

17 Section 8. Approval of Form of Continuing Disclosure Certificate. The form of
18 Continuing Disclosure Certificate (the “Certificate”) to be executed and delivered by the City, a
19 copy of which is on file with the Clerk of the Board in File No. 110287, and which is hereby
20 declared to be a part of this resolution as if set forth fully herein, is hereby approved. The
21 Mayor or the Controller is hereby authorized to execute the Certificate, in substantially the
22 form presented to the Board of Supervisors, with such modifications, changes or additions as
23 the Mayor or the Controller may make or approve upon consultation with the City Attorney,
24 such approval to be conclusively evidenced by the execution and delivery of the Certificate.

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1 Section 9. General Authorization. The Mayor, the City Attorney, the Controller, the
2 Director of Public Finance, the Clerk of the Board and the other officers of the City and their
3 duly authorized deputies and agents are hereby authorized and directed, jointly and severally,
4 to take such action as is necessary to authorize the purchase of the Equipment by the
5 Corporation, to execute and deliver such certificates, requests or other documents and
6 agreements, including, but not limited to, certificates relating to the Official Statement for the
7 Bonds in preliminary or final form or to other offering material relating to the Bonds, or relating
8 to the purchase of bond insurance, if any, on the Bonds, as they may deem necessary or
9 desirable to facilitate the execution and delivery by the City of the Equipment Lease
10 Supplement and of the Certificate of Approval and the consummation of the financing
11 contemplated thereby, and to otherwise carry out the provisions of this Resolution.

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13 APPROVED AS TO FORM:

14 DENNIS J. HERRERA, City Attorney

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17 By: _____
18 KENNETH DAVID ROUX
19 Deputy City Attorney

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