

1 [2005 Finance Corporation Equipment Program.]

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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. 12 (Series 2005A**
5 **Bonds) between the City and the County of San Francisco Finance Corporation, as**
6 **lessor, and the City and County of San Francisco, as lessee, with respect to the**
7 **equipment to be used for city purposes, a related certificate of approval and a**
8 **continuing disclosure certificate; approving the issuance of lease revenue bonds by**
9 **said nonprofit corporation in an amount not to exceed \$11,500,000; approving the form**
10 **of the official statement in preliminary and final form; providing for reimbursement to**
11 **the City and County of San Francisco of certain city expenditures incurred prior to the**
12 **issuance of lease revenue bonds; and providing for the execution of documents in**
13 **connection therewith.**

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

23 WHEREAS, The City and County of San Francisco Finance Corporation (the
24 "Corporation"), a California nonprofit public benefit corporation, has been formed to, among
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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. 12 (Series 2005A 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 Series
14 2005A" (the "Bonds"), secured by base rentals to be paid by the City under the Equipment
15 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 Mayor's Office of Public Finance of
4 the City, the form of the Equipment Lease Supplement by and between the Corporation and
5 the City and the related Certificate of Approval presented to this Board of Supervisors, copies
6 of which are on file with the Clerk of the Board of the Board of Supervisors in File No. ,
7 are hereby approved. The Mayor of the City or his designee (collectively, the "Mayor") is
8 hereby authorized to execute the Equipment Lease Supplement and the related Certificate of
9 Approval, and the Clerk of the Board of Supervisors or the designee of such officer
10 (collectively, the "Clerk of the Board") is hereby authorized to attest and affix the seal of the
11 City on the Equipment Lease Supplement, in substantially the forms presented to the Board of
12 Supervisors, with such modifications, changes, or additions as the Mayor may approve in
13 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 \$11,500,000, 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, 2016.

1 Section 4. Approval of Issuance of Corporation Bonds. The issuance by the
2 Corporation of not to exceed \$11,500,000 aggregate principal amount of City and County of
3 San Francisco Finance Corporation Lease Revenue Bonds, Series 2005A to be secured by
4 the payment of base rental by the City pursuant to the Equipment Lease, as supplemented by
5 the Equipment Lease Supplement, is hereby approved; provided, however, that the Bonds
6 shall not be issued unless prior to the sale thereof the Controller certifies that in his opinion
7 the net interest cost to the City will be lower as a result of the issuance of the Bonds than
8 other financings 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 No.
12 is hereby approved. The Director of Public Finance, or her designee (together the Director of
13 Public Finance, the "Director of Public Finance") is hereby authorized to approve the
14 distribution of the preliminary Official Statement, with such changes, additions, modifications
15 or deletions as the Director of Public Finance may approve upon consultation with the City
16 Attorney; such approval to be conclusively evidenced by the distribution of the preliminary
17 Official Statement to potential purchasers of the Bonds. The Controller of the City, or his
18 designee, is hereby authorized to execute, and the Director of Public Finance is hereby further
19 authorized to approve the distribution of, the Official Statement in final form.

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

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

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

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

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Theresa Alvarez Hackett
Deputy City Attorney