

1 [Equipment Lease]
2 APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY BY THE
3 CITY AND COUNTY OF SAN FRANCISCO OF AN AMENDED AND RESTATED
4 EQUIPMENT LEASE AND AN EQUIPMENT LEASE SUPPLEMENT NO. 7 EACH BETWEEN
5 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
7 EQUIPMENT TO BE USED FOR CITY PURPOSES, A RELATED CERTIFICATE OF
8 APPROVAL AND A CONTINUING DISCLOSURE CERTIFICATE; APPROVING THE
9 ISSUANCE OF LEASE REVENUE BONDS BY SAID NONPROFIT CORPORATION IN AN
10 AMOUNT NOT TO EXCEED \$11,500,000; PROVIDING FOR REIMBURSEMENT TO THE
11 CITY OF CERTAIN CITY EXPENDITURES INCURRED PRIOR TO THE ISSUANCE OF
12 LEASE REVENUE BONDS; AND PROVIDING FOR THE EXECUTION OF DOCUMENTS IN
13 CONNECTION THEREWITH AND RATIFYING PREVIOUS ACTIONS TAKEN IN
14 CONNECTION THEREWITH.

15 Note: This entire section is new.

16 Subject to Certification by the Controller of the City and County of San Francisco Be it
17 Ordained by the People of the City and County of San Francisco:

18 Section 1. Findings. The Board of Supervisors (the "Board") of the City and County of
19 San Francisco hereby makes the following findings:

20 A. Pursuant to Section 9.108(3) of the Charter of the City and County of San
21 Francisco (the "Charter") (the successor provision to Section 7.309(c)(3) of the Charter of
22 1932, which was approved by the voters of the City in June 1990), the Board may approve
23 lease financings involving a nonprofit corporation established for such purposes for the
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1 acquisition of equipment, the obligations with respect to which shall not exceed in the
2 aggregate at one time a principal amount of \$20 million increased by five percent in each
3 fiscal year provided that the Controller of the City and County of San Francisco (the
4 "Controller") makes the required certification prior to the sale of such obligations; and

5 B. The City and County of San Francisco Finance Corporation (the "Corporation"), a
6 California nonprofit public benefit corporation, has been formed to, among other purposes,
7 serve as the nonprofit corporation pursuant to Section 9.108(3) of the Charter; and

8 C. The Board has previously entered into an equipment lease (the "Equipment Lease")
9 with the Corporation to provide for the acquisition, construction and installation of equipment
10 to be used for City purposes by the Corporation and the leasing of said equipment and
11 certain equipment subject to existing leases to the City and County of San Francisco (the
12 "City"); and

13 D. The Board has determined that it is desirable and convenient to restate the
14 Equipment Lease as heretofore amended; and

15 E. The Board has determined to enter into an Equipment Lease Supplement No. 7
16 (Series 1998A Bonds) to provide for the acquisition, construction and installation of additional
17 equipment to be used for City purposes by the Corporation and the leasing of said equipment
18 to the City; and

19 F. The Corporation proposes to issue lease revenue bonds secured by base rentals to
20 be paid by the City under the Equipment Lease as modified by said Equipment Lease
21 Supplement No. 7 (Series 1998A Bonds); and

1 G. Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") requires that
2 the City agree to provide certain annual financial information and notice of certain specified
3 events if material to Participating Underwriters (as defined in the Rule) and to bondholders
4 and beneficial owners of the Bonds.

5 Section 2. Approval of Form of Amended and Restated Equipment Lease, Equipment
6 Lease Supplement and Certificate of Approval. In accordance with the recommendation of
7 the Mayor's Office of Public Finance of the City, the form of Amended and Restated
8 Equipment Lease (the "Amended and Restated Equipment Lease") including the
9 amendments to §§1.01 and 14.02 thereof allowing future supplements to be authorized by
10 resolution, Equipment Lease Supplement No. 7 (Series 1998A Bonds) (the "Equipment Lease
11 Supplement") by and between the Corporation and the City and the related Certificate of
12 Approval presented to this Board of Supervisors, copies of which are on file with the Clerk of
13 the Board in File No. 98-1424, are hereby approved. The Mayor of the City (the
14 "Mayor") is hereby authorized to execute the Amended and Restated Equipment Lease, the
15 Equipment Lease Supplement and the related Certificate of Approval, and the Clerk of the
16 Board is hereby authorized to attest and affix the seal of the City on the Amended and
17 Restated Equipment Lease and the Equipment Lease Supplement, in substantially the forms
18 presented to the Board, with such modifications, changes, or additions as the Mayor may
19 make or approve in accordance with Section 3 hereof.

20 Section 3. Modifications to Amended and Restated Equipment Lease, Equipment
21 Lease Supplement and Certificate of Approval. The Mayor is hereby authorized to approve
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1 and make such modifications, changes or additions to the Amended and Restated Equipment
2 Lease, the Equipment Lease Supplement and the Certificate of Approval, upon consultation
3 with the City Attorney of the City, as may be necessary or desirable in the interests of the
4 City, and which changes do not materially increase the obligations of the City under the
5 Equipment Lease, as supplemented by the Equipment Lease Supplement, such approval to
6 be conclusively evidenced by the execution and delivery by the Mayor and the Clerk of the
7 Board of the Equipment Lease Supplement and by the Mayor of the Certificate of Approval;
8 provided, however, that the total project costs of the project (the "Project") to be financed with
9 the proceeds of the Bonds (as defined hereinafter) shall not exceed \$11,500,000; and
10 provided, further, that the maximum annual base rental payable under the Equipment Lease
11 Supplement with respect to the Project shall not exceed \$3,200,000.

14 Section 4. Approval of Issuance of Corporation Bonds. The issuance by the
15 Corporation of not to exceed \$11,500,000 aggregate principal amount of City and County of
16 San Francisco Finance Corporation Lease Revenue Bonds, Series 1998A (the "Bonds") to be
17 secured by the payment of base rental by the City pursuant to the Equipment Lease, as
18 supplemented by the Equipment Lease Supplement, is hereby approved; provided, however,
19 that the Bonds shall not be issued unless prior to the sale thereof, the Controller certifies that
20 in his opinion the net interest cost to the City will be lower as a result of the issuance of the
21 Bonds than other financings involving a lease or leases.

23 Section 5. Reimbursement of Certain Expenditures. In the event that the City pays
24 certain capital expenditures from its general fund in connection with the equipment listed on
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1 Exhibit A to the Equipment Lease Supplement (the "Equipment") submitted to the Board with
2 this ordinance and prior to the issuance of the Bonds or other indebtedness for the
3 Equipment, such payments will be made with the reasonable expectation by the City that
4 such payments will be reimbursed, and the Board reasonably expects to reimburse such
5 fund, for such expenditures from the proceeds of the Bonds or such other indebtedness.
6 Pursuant to Treasury Regulation Section 1.150-2, the City hereby declares its official intent to
7 be reimbursed from the proceeds of the Bonds or other indebtedness for such Equipment
8 expenditures. This ordinance may be ratified and confirmed by the Corporation prior to the
9 issuance by the Corporation of any indebtedness for the Equipment and, if so ratified and
10 confirmed, shall be deemed to be an action of the Corporation as of the date hereof. Section
11 5 of this Ordinance is enacted by the City solely for the purposes of establishing compliance
12 with the requirements of Section 1.150-2 of the Treasury Regulations, and does not bind the
13 City or the Corporation to make any expenditure, incur any indebtedness or proceed with the
14 Project.
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17 Section 6. Approval of Form of Continuing Disclosure Certificate. The form of
18 Continuing Disclosure Certificate (the "Certificate") executed and delivered by the City, a copy
19 of which is on file with the Clerk of the Board of Supervisors in File No. 98-1424, is
20 hereby approved. The Mayor or his designee or the Controller are hereby authorized to
21 execute the Certificate, in substantially the form presented to the Board, with such
22 modifications, changes, or additions as the Mayor, his designee, or the Controller may make
23 or approve upon consultation with the City Attorney, such approval to be conclusively
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1 evidenced by the execution and delivery of the Certificate.

2 Section 7. General Authorization. The Mayor, the City Attorney, the Controller, the
3 Director of Public Finance, the Clerk of the Board and the other officers of the City and their
4 duly authorized deputies and agents are hereby authorized and directed, jointly and severally,
5 to execute and deliver such certificates, requests or other documents, including, but not
6 limited to, certificates relating to the official statement for the Bonds in preliminary or final form
7 or to other offering material relating to the Bonds, as they may deem necessary or desirable
8 to facilitate the execution and delivery by the City of the Amended and Restated Equipment
9 Lease, the Equipment Lease Supplement and of the Certificate of Approval and the
10 consummation of the financing contemplated thereby, and to otherwise carry out the
11 provisions of this ordinance.
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14 Section 8. Ratification of Prior Acts. All actions authorized and directed by this
15 ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board of
16 Supervisors.
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18 APPROVED AS TO FORM:

19 LOUISE H. RENNE, City Attorney

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21 By:


22 JOSEPH FRESCHI
23 Deputy City Attorney
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Board of Supervisors, San Francisco

Passed on First Reading

September 22, 1998

Ayes: Supervisors Ammiano Brown
Katz Kaufman Leno Medina Newsom
Teng Yaki Yee

Absent: Supervisor Bierman

§ Finally Passed

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§ September 28, 1998

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§ Ayes: Supervisors Ammiano Brown
§ Katz Leno Medina Newsom Teng Yaki
§ Yee

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§ Absent: Supervisors Bierman Kaufman


I hereby certify that the foregoing ordinance
was finally passed by the Board of Supervisors
of the City and County of San Francisco

File No.
98-1424

OCT - 9 1998

Date Approved


Clerk


Mayor