

1 [Equipment Lease - 2012 Finance Corporation Equipment Program - Revenue Bonds - Not to
2 Exceed \$10,500,000]

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. 18 (Series 2012A**
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 certain equipment**
7 **to be used for city purposes, a related certificate of approval and a continuing**
8 **disclosure certificate; approving the issuance of lease revenue bonds by said nonprofit**
9 **corporation in an amount not to exceed \$10,500,000; approving the form of the official**
10 **statement and the distribution thereof in preliminary and final form; providing for**
11 **reimbursement to the City and County of San Francisco of certain city expenditures**
12 **incurred prior to the issuance of lease revenue bonds; and providing for the execution**
13 **of documents in 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 commencing with fiscal year 1990-1991, provided
21 that the Controller of the City and County of San Francisco or his designee (collectively, the
22 "Controller") makes the certification required by said section of the Charter prior to the sale of
23 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. 18 (Series 2012A Bonds) (the "Equipment Lease Supplement" and,
10 together with the Equipment Lease, the "Lease") to provide for the acquisition, construction
11 and installation of additional equipment to be used for City purposes by the Corporation and
12 the leasing of said equipment to the City; and,

13 WHEREAS, The Corporation proposes to issue its lease revenue bonds designated as
14 the "City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series
15 2012A (Equipment Program)" (the "Bonds"), secured by base rentals to be paid by the City
16 under the Lease; and,

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

20 WHEREAS, Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule")
21 requires that an "obligated person" (as defined in the Rule) agree to provide certain annual
22 financial information and notice of certain specified events to Participating Underwriters (as
23 defined in the Rule), to bondholders and beneficial owners of the Bonds, and the City is an
24 obligated person; now, therefore, be it
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1 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
2 follows:

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

4 Section 2. Approval of Form of Equipment Lease Supplement and Certificate of
5 Approval. In accordance with the recommendation of the Office of Public Finance of the City,
6 the form of the Equipment Lease Supplement, by and between the Corporation and the City,
7 and the related Certificate of Approval presented to this Board of Supervisors, copies of which
8 are on file with the Clerk of the Board of Supervisors in File No. 120201, and which are hereby
9 declared to be a part of this resolution as if set forth fully herein, are hereby approved. The
10 Mayor of the City or his designee (collectively, the "Mayor") is hereby authorized to execute
11 the Equipment Lease Supplement and the related Certificate of Approval, and the Clerk of the
12 Board of Supervisors or the designee of such officer (collectively, the "Clerk of the Board") is
13 hereby authorized to attest and affix the seal of the City on the Equipment Lease Supplement,
14 in substantially the forms presented to the Board of Supervisors, with such modifications,
15 changes, or additions as the Mayor may approve in accordance with Section 3 hereof.

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

17 The Mayor is hereby authorized to approve and make such modifications, changes or
18 additions to the Equipment Lease Supplement and the Certificate of Approval, upon
19 consultation with the City Attorney of the City, as may be necessary or desirable in the
20 interests of the City, and which changes do not materially increase the obligations of the City
21 under the Lease, such approval to be conclusively evidenced by the execution and delivery by
22 the Mayor and the Clerk of the Board of the Equipment Lease Supplement and by the Mayor
23 of the Certificate of Approval; provided, however, that the total project costs of the acquisition,
24 construction and installation of equipment to be financed with the proceeds of the Bonds (the
25 "Project") shall not exceed \$10,500,000, that the maximum interest rate on the Bonds shall

1 not exceed 10% per annum and that the Equipment Lease Supplement shall have a
2 termination date no later than April 1, 2019.

3 Section 4. Approval of Issuance of the Bonds. The issuance by the Corporation of not
4 to exceed \$10,500,000 aggregate principal amount of City and County of San Francisco
5 Finance Corporation Lease Revenue Bonds, Series 2012A (Equipment Program), to be
6 secured by the payment of base rental by the City pursuant to the Lease, is hereby approved;
7 provided, however, that the Bonds shall not be issued unless prior to the sale thereof the
8 Controller certifies that in his opinion the net interest cost to the City will be lower as a result of
9 the issuance of the Bonds than other financings involving a lease or leases.

10 Section 5. Approval of the Official Statement in Preliminary and Final Form. The form
11 of the Official Statement relating to the Bonds (the "Official Statement"), as presented to this
12 Board, a copy of which is on file in preliminary form with the Clerk of the Board in File No.
13 120201, and which is hereby declared to be a part of this resolution as if set forth fully herein,
14 is hereby approved. The Director of Public Finance, or her designee (collectively, the
15 "Director of Public Finance") is hereby authorized to approve the distribution of the preliminary
16 Official Statement, with such changes, additions, modifications or deletions as the Director of
17 Public Finance may approve upon consultation with the City Attorney; such approval to be
18 conclusively evidenced by the distribution of the preliminary Official Statement to potential
19 purchasers of the Bonds. The Controller of the City is hereby authorized to execute, and the
20 Director of Public Finance is hereby further authorized to approve the distribution of, the
21 Official Statement in final form.

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

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

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

13 Section 8. Approval of Form of Continuing Disclosure Certificate. The form of
14 Continuing Disclosure Certificate (the "Certificate") to be executed and delivered by the City, a
15 copy of which is on file with the Clerk of the Board in File No. 120201, and which is hereby
16 declared to be a part of this resolution as if set forth fully herein, is hereby approved. The
17 Mayor or the Controller is hereby authorized to execute the Certificate, in substantially the
18 form presented to the Board of Supervisors, with such modifications, changes or additions as
19 the Mayor or the Controller may make or approve upon consultation with the City Attorney,
20 such approval to be conclusively evidenced by the execution and delivery of the Certificate.

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

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

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13 By: _____
14 KENNETH DAVID ROUX
15 Deputy City Attorney
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