Resolution approving the issuance of not to exceed $6,325,000 aggregate principal amount of clean renewable energy bonds to be issued by the Public Utilities Commission of the City and County of San Francisco (the "Commission"); approving the execution and delivery by the Commission of a Master Equipment Lease/Purchase Agreement, an Acquisition Fund and Account Control Agreement, and a Bond Purchase Agreement; and authorizing the taking of appropriate actions in connection therewith; and related matters.

WHEREAS, Pursuant to Section 9.107(8) of the Charter of the City and County of San Francisco (the "City"), the Board of Supervisors of the City (the "Board") is authorized to provide for the issuance of revenue bonds by the Commission for the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation; and

WHEREAS, The Commission has applied for and received an allocation of $6,325,000 (the "Allocation") from the Internal Revenue Service under the Clean Renewable Energy Bond program ("CREBs") of the United States federal government; and

WHEREAS, CREBs are tax credit bonds that allow a qualified issuer to borrow at a zero percent interest rate and the owners of the CREBs to receive, in addition to the repayment of the principal amount of the CREB, compensation in the form of a federal tax credit from the United States government, in lieu of interest paid by the qualified issuer; and

WHEREAS, The Allocation provides the Commission with an opportunity to issue CREBs (the "Commission CREBs") to finance the cost of acquiring and installing renewable energy equipment (the "CREBs Project"), all as more fully described in Appendix A to that
certain letter, dated November 13, 2006, from the Internal Revenue Service to the General Manager of the Commission, awarding the Allocation to the Commission; and

WHEREAS, The Commission, pursuant to the terms of Resolution No. 08-0092, adopted by the Commission on May 27, 2008, has authorized the execution and delivery of Commission CREBs, in the form of a Master Equipment Lease/Purchase Agreement, expected to be dated as of July 1, 2008, by and between the Commission and Banc of America Leasing & Capital, LLC ("Bank of America"), in the principal amount of not to exceed $6,325,000 (the "CREB Lease/Purchase Agreement") for the purpose of financing the costs of acquiring and installing the CREBs Project, as well as for the payment of costs of issuance and other incidental costs therefor; and,

WHEREAS, The obligation of the Commission to make payments under the CREB Lease/Purchase Agreement is payable solely from the Net Revenues (as defined in the CREB Lease/Purchase Agreement) of the hydroelectric portion of the City's water enterprise; now, therefore, be it

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

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

Section 2. Approval and Authorization of Commission CREBs. The execution and delivery of the Commission CREBs, in the form of the CREB Lease/Purchase Agreement, in an aggregate principal amount not to exceed $6,325,000, at the Tax Credit Rates (as such term is defined in the CREB Lease/Purchase Agreement) published on the Internal Revenue Service website and in effect on the date of execution of the Bond Purchase Agreement (as such term is defined in Section 5 below), is hereby authorized and approved by the Board.
Section 3. Approval and Authorization of CREB Lease/Purchase Agreement. The Board hereby authorizes and approves the execution and delivery by the Commission of the CREB Lease/Purchase Agreement in an aggregate principal amount not to exceed $6,325,000, to provide funds to be used for the CREBs Project. The form of the CREB Lease/Purchase Agreement, in substantially the form presented to the Board, is hereby approved. The General Manager of the Commission or his designee is hereby authorized and directed to execute and deliver the CREB Lease/Purchase Agreement; with such changes, additions, amendments or modifications therein which the General Manager or his designee may deem necessary or desirable and as the City Attorney may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the CREB Lease/Purchase Agreement.

Section 4. Approval and Authorization of Acquisition Fund and Account Control Agreement. The Board hereby authorizes and approves the execution and delivery by the Commission of an Acquisition Fund and Account Control Agreement (the "Acquisition Fund and Account Control Agreement"), to provide investment direction and disbursement procedures for funds to be used for the CREBs Project. The form of the Acquisition Fund and Account Control Agreement, in substantially the form presented to the Board, is hereby approved. The President or General Manager of the Commission or their designees and the Secretary of the Commission or her designee are hereby authorized and directed to execute and deliver the Acquisition Fund and Account Control Agreement; with such changes, additions, amendments or modifications therein which they may deem necessary or desirable and as the City Attorney may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Acquisition Fund and Account Control Agreement.
Section 5. Approval and Authorization of Bond Purchase Agreement. The Board hereby authorizes and approves the execution and delivery by the Commission of a Bond Purchase Agreement (the "Bond Purchase Agreement"), to provide the terms on which Bank of America will purchase the Commission CREBs from the Commission. The form of the Bond Purchase Agreement, in substantially the form presented to the Board, is hereby approved. The President or General Manager of the Commission or their designees, and the Secretary of the Commission or her designee are hereby authorized and directed to approve and to execute the Bond Purchase Agreement; with such changes, additions, amendments or modifications therein which they may deem necessary or desirable and as the City Attorney may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 6. Proposition P. Pursuant to Proposition P approved by the voters of the City in November 2002, this resolution and the Commission CREBs are subject to, and incorporate by reference, the provisions of Section 5A.30 et. seq. ("Public Utilities Revenue Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code.

Section 7. General Authority. The Mayor of the City, the General Manager of the Commission, the City Attorney, and all other appropriate officers, employees, representatives and agents of the City are hereby authorized and directed to execute and deliver any and all documents, certificates and representations, including, but not limited to, signature certificates, no-litigation certificates, tax certificates, to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the

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execution and delivery of the Commission CREBs, CREB Lease/Purchase Agreement, the financing of the CREBs Project, and the actions that the Board has approved in this resolution.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: KENNETH DAVID ROUX
Deputy City Attorney

**San Francisco Public Utilities Commission**
BOARD OF SUPERVISORS

7/11/2008
Resolution approving the issuance of not to exceed $6,325,000 aggregate principal amount of clean renewable energy bonds to be issued by the Public Utilities Commission of the City and County of San Francisco (the "Commission"); approving the execution and delivery by the Commission of a Master Equipment Lease/Purchase Agreement, an Acquisition Fund and Account Control Agreement, and a Bond Purchase Agreement; and authorizing the taking of appropriate actions in connection therewith; and related matters.

October 7, 2008 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, Mirkarimi, Peskin, Sandoval

Excused: 1 - McGoldrick
I hereby certify that the foregoing Resolution was ADOPTED on October 7, 2008 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

10/15/2008

Mayor Gavin Newsom