

OFFICIAL NOTICE OF SALE

—————
\$XXX*
**CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION
LEASE REVENUE BONDS
SERIES 2013A (EQUIPMENT PROGRAM)**

The City and County of San Francisco Finance Corporation will receive bids for the above-referenced Bonds by either the electronic bidding system specified on the Official Notice of Sale or written sealed bids, on the date and up to the time specified below:

SALE DATE: Tuesday, May 14, 2013*
(Subject to postponement or cancellation in accordance
with this Official Notice of Sale)

TIME: 8:30 a.m. (California time)

PLACE: 1 Dr. Carlton B. Goodlett Place, Room 336
San Francisco, California 94102

Telephone, telefax or telegraph bids will not be accepted. If the Bonds are awarded by the Corporation, it is anticipated that delivery will be made on or about May 29, 2013.

* Subject to adjustment in accordance with this Official Notice of Sale.

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CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION
LEASE REVENUE BONDS
SERIES 2013A (EQUIPMENT PROGRAM)

NOTICE IS HEREBY GIVEN that either electronic or written sealed all-or-nothing bids will be received, by the City and County of San Francisco Finance Corporation (the "Corporation") for the purchase of \$ **XXX*** aggregate principal amount of City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2013A (Equipment Program) (the "Bonds").

Electronic bids must be submitted solely through Ipreo LLC's BiDCOMP™/Parity® System ("Parity"), as the only approved electronic bidding service for the Bonds, and written sealed bids must be delivered at the Office of Public Finance, City Hall, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102, on the date and up to the time specified below:

Tuesday, May 14, 2013 until 8:30 a.m., California time

(Subject to postponement in accordance with this Official Notice of Sale)

Bidding procedures and sale terms are as described in this Official Notice of Sale. The Bonds are described in the Preliminary Official Statement for the Bonds dated _____, 2013 (the "Preliminary Official Statement").

Each bidder choosing to submit a bid via Parity shall be solely responsible for registering to bid via Parity and for all costs, fees or other expenses incurred by the bidder in connection with the bid and/or the use of Parity. The use of Parity shall be at the bidder's risk. Each bidder expressly assumes the risk for any error contained in any bid submitted through Parity, or for failure of any bid to be transmitted or received including without limitation the risk of any incomplete or untimely bid submitted by such bidder by reason of failed or garbled transmissions, mechanical failure, engaged telecommunications lines, or any other cause. None of the Corporation, Counsel to the Corporation, the City and County of San Francisco ("City"), counsel to the City or any consultant or legal representative of the Corporation or the City, assumes any responsibility for any such error or failed or garbled transmission of any bid. The official time of receipt of bids will be determined by the City's Director of Public Finance, acting on behalf of the Corporation, and the Corporation will not be required to accept the time kept by Parity as the official time. Additional terms and conditions regarding the use of Parity are set forth below in "TERMS OF SALE — Form of Bids; Delivery of Bids."

THE RECEIPT OF BIDS ON MAY 14, 2013* MAY BE POSTPONED OR CANCELLED BY THE CORPORATION AT OR PRIOR TO THE TIME BIDS ARE TO BE RECEIVED. NOTICE OF SUCH POSTPONEMENT OR CANCELLATION WILL BE COMMUNICATED THROUGH THE BOND BUYER WIRE, THOMSON FINANCIAL, OR BLOOMBERG BUSINESS NEWS (INDIVIDUALLY, A "NEWS SERVICE") AND/OR PARITY, AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION. See "TERMS OF SALE — Postponement or Cancellation of Sale." Notice of the new date and time for receipt of bids shall be given through a News Service and/or Parity as soon as practicable following a postponement and no later than 1:00 p.m., California time, on the business day preceding the new date for receiving bids. If the sale is canceled, all written sealed bids will be returned unopened.

* Subject to adjustment in accordance with this Official Notice of Sale

As an accommodation to bidders, notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from the Financial Advisor to the Corporation: Kitahata & Company, 137 Joost Avenue, San Francisco, CA 94131 Attention: Gary R. Kitahata, Principal, 415-710-1251, email gkitahata@gmail.com and fax 415-276-3777 (the “Financial Advisor”); provided, however, that failure of any bidder to receive such supplemental notice shall not affect the sufficiency of any such notice or the legality of the sale. See “TERMS OF SALE — Postponement or Cancellation of Sale.”

Other than with respect to postponement or cancellation as described above, the Corporation reserves the right to modify or amend this Official Notice of Sale in any respect; provided, however, that any such modification or amendment will be communicated to potential bidders through a News Service and/or Parity prior to the sale. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale. See “TERMS OF SALE — Right to Modify or Amend.”

This Official Notice of Sale will be submitted for posting to the Parity bid delivery system (as described in “TERMS OF SALE — Form of Bids; Delivery of Bids” below). In the event the summary of the terms of sale of the Bonds posted on Parity conflicts with this Official Notice of Sale, or any amendment hereto, in any respect, the terms of this Official Notice of Sale and any amendment hereto shall control.

CHAPTER 1 TERMS RELATING TO THE BONDS

THE TERMS, AUTHORITY FOR EXECUTION AND DELIVERY, PURPOSES, REPAYMENT, SECURITY, FORM OF LEGAL OPINION OF BOND COUNSEL AND OTHER INFORMATION REGARDING THE BONDS ARE PRESENTED IN THE PRELIMINARY OFFICIAL STATEMENT, WHICH EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED PRIOR TO BIDDING FOR THE BONDS. THIS OFFICIAL NOTICE OF SALE GOVERNS ONLY THE TERMS OF SALE, BIDDING, AWARD AND CLOSING PROCEDURES FOR THE BONDS. THE DESCRIPTION OF THE BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION OF THE BONDS CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.

Subject to the foregoing, the Bonds are generally described as follows:

Issue. The \$XXX* aggregate principal amount of City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2013A (Equipment Program) will be issued as fully registered bonds without coupons in book-entry form, all dated the date of delivery, which is expected to be May 29, 2013*. If the sale is postponed, notice of the new date of the sale will also set forth the new date of delivery of the Bonds.

Book-Entry Only. The Bonds will be registered in the name of a nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, and the Purchaser of the Bonds (the process to determine the Purchaser of the Bonds is described under “TERMS OF SALE — Process for Award”) will not receive bond certificates representing its interest in the Bonds purchased. As of the date of award of the Bonds, the Purchaser must either participate in DTC or must clear through or maintain a custodial relationship with an entity that participates in DTC.

Interest Rates. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year (each, an “Interest Payment Date”), commencing October 1, 2013 and continuing to and including their respective Maturity Date (defined below) or on prepayment prior thereto. Interest will be calculated on the basis of a 30-day month, 360-day year from the date of the Bonds. Bidders must specify the rate or

* Subject to adjustment in accordance with this Official Notice of Sale.

rates of interest which the Bonds will bear. Bidders may specify any number of separate rates, and the same rate or rates may be repeated as often as desired, provided that:

- (i) The maximum interest rate bid shall not exceed ten percent (10%) per annum;
- (ii) Each interest rate specified in any bid must be a multiple of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum and a zero rate of interest cannot be named;
- (iii) Each Bond shall bear interest from its date to its stated maturity date at the single rate of interest specified in the bid;
- (iv) A single interest payment shall be due on each Bond on each Interest Payment Date, and no supplemental payments will be permitted; and
- (v) All Bonds maturing at any one time shall bear the same rate of interest.

Principal Payments. The Bonds shall mature on April 1 and October 1 (each a “Principal Payment Date”) of each year, commencing April 1, 2014 as set forth below. Subject to adjustment as hereinafter provided, the principal amount maturing on each Principal Payment Date is as follows:

Maturity	Principal Amount*
April 1, 2014	
October 1, 2014	
April 1, 2015	
October 1, 2015	
April 1, 2016	
October 1, 2016	
April 1, 2017	
October 1, 2017	
April 1, 2018	
October 1, 2018	
April 1, 2019	

Adjustment of Principal Payments. The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the Corporation with respect to the likely interest rates of the winning bid. **Potential bidders will be notified via a News Service and/or Parity prior to the sale of any change to the principal payment schedule for the Bonds to be utilized for the bidding process.** The Corporation reserves the right to change the principal payment schedule set forth above after the determination of the apparent winning bidder (see “TERMS OF SALE — Process of Award”), by increasing or decreasing the aggregate principal amount of the Bonds by adjusting one or more principal payments of the Bonds in increments of \$5,000, as determined in the sole discretion of the Corporation. Any such adjustment of principal payments with respect to the Bonds shall be based on the schedule of principal payments provided by the Corporation to be used as the basis of bids for the Bonds. Any such adjustment will not

* Subject to adjustment in accordance with this Official Notice of Sale.

change the average per bond dollar amount of the Purchaser's discount. See also "TERMS OF SALE — Right to Modify or Amend," regarding the Corporation's right to modify or amend this Official Notice of Sale in any respect including, without limitation, increasing or decreasing the principal amount of any serial maturity or mandatory sinking fund payment for the Bonds and adding or deleting serial or term maturity and mandatory sinking fund payment dates, along with corresponding principal amounts with respect thereto.

IN THE EVENT OF ANY SUCH ADJUSTMENT, NO REBIDDING OR RECALCULATION OF THE BIDS SUBMITTED WILL BE REQUIRED OR PERMITTED AND NO SUCCESSFUL BID MAY BE WITHDRAWN. A PURCHASER MAY NOT CHANGE THE INTEREST RATES IN ITS BID OR THE REOFFERING PRICES IN ITS REOFFERING PRICE CERTIFICATE AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL PAYMENTS OF THE BONDS IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE.

No Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Special Redemption. The Bonds are subject to redemption at par plus accrued interest, without premium, on any date prior to their maturity, as a whole, or in part, from prepaid rental payments made by the City from the Net Proceeds of any commercial insurance, self-insurance or condemnation award with respect to the Equipment if such Net Proceeds are not used to repair, replace or restore the Equipment.

The Bonds are also subject to redemption, in part, without premium, on the first practicable date for which notice of redemption can be given, following receipt by U.S. Bank National Association, as trustee (the "Trustee"), of a Certificate of Completion, from moneys remaining in the Series 2013A Project Account and transferred to the Redemption Fund.

Municipal Bond Insurance at Bidder's Option. The Corporation has not taken any steps to qualify the Bonds for municipal bond insurance and makes no representation as to whether the Bonds will qualify for municipal bond insurance. Payment of any insurance premium and satisfaction of any conditions to the issuance of a municipal bond insurance policy and payment of any additional rating agency fees shall be the sole responsibility of the bidder. **In particular, neither the Corporation nor the City will amend or supplement the documents authorizing the issuance of the Bonds, the Indenture or Lease in any way, nor will either agree to enter into any additional agreement with respect to the provision of any such policy. FAILURE OF THE INSURANCE PROVIDER TO ISSUE ITS POLICY SHALL NOT CONSTITUTE CAUSE FOR A FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF OR PAY FOR THE BONDS.**

If the Purchaser exercises this option, the Purchaser must provide the Corporation with the municipal bond insurance commitment, including the amount of the policy premium, as well as information with respect to the municipal bond insurance policy and the insurance provider for inclusion in the final Official Statement within two (2) business days following the award of the Bonds by the Corporation. The Corporation will require a certificate from the insurance provider substantially in the form attached hereto as Exhibit A on or prior to the date of delivery of the Bonds, as well as an opinion of counsel to the insurance provider regarding the enforceability of the municipal bond insurance policy and a tax certificate, each in form reasonably satisfactory to the Corporation and Squire Sanders (US) LLP ("Bond Counsel"). **THE PURCHASER SHALL PAY ALL COSTS ASSOCIATED WITH ANY DECISION OF THE CORPORATION TO AMEND, SUPPLEMENT, REPRINT AND/OR "STICKER" THE FINAL OFFICIAL STATEMENT AS A RESULT OF A FAILURE BY THE PURCHASER TO TIMELY PROVIDE INFORMATION FOR THE FINAL OFFICIAL STATEMENT OR ANY SUBSEQUENT EVENT WHICH RESULTS IN THE MUNICIPAL BOND INSURANCE DISCLOSURE PRINTED IN THE FINAL OFFICIAL STATEMENT BEING INACCURATE OR OTHERWISE INADEQUATE.**

Tax Matters. Upon delivery of the Bonds, Bond Counsel will deliver its legal opinion that, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on

individuals and corporations and (ii) interest on the Bonds is exempt from State of California personal income taxes. See “TAX MATTERS” in the Preliminary Official Statement.

Legal Opinion. A complete copy of the proposed form of the legal opinion of Bond Counsel is set forth in Appendix G to the Preliminary Official Statement. The separate legal opinion of Bond Counsel with respect to the Bonds, approving the validity of the Bonds, will be furnished, without cost, to the Purchaser upon delivery of the Bonds.

TERMS OF SALE

Form of Bids; Delivery of Bids. Each bid for the Bonds must be (1) for not less than all of the Bonds hereby offered for sale, (2) for not less than 99% of the par value of the Bonds, (3) unconditional and (4) submitted **either** (a) by written sealed bid on the Official Bid Form attached hereto as Exhibit B (the “Official Bid Form”) and signed by a duly authorized signatory of the bidder, **or** (b) via Parity. No telephone, telefax, or telegraph bids will be accepted or considered.

If a bidder chooses to submit its bid as a written sealed bid, written sealed bids must be enclosed in a sealed envelope and delivered to the Corporation c/o Angela Whittaker of the Office of Public Finance of the City and County of San Francisco at the address set front on the cover of this Official Notice of Sale and clearly marked “Bid for the City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2013A (Equipment Program)” or words of similar import.

No bid will be accepted after the time specified for receiving bids.

If a bidder chooses to submit its bids via Parity, such bidder must follow the instructions under “— Use of Parity.”

To the extent any instructions or directions set forth in Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, potential bidders may contact the Financial Advisor or Parity, phone: (212) 849-5021. Bids may include a premium on the par value of the Bonds. No bid submitted to the Corporation is subject to withdrawal or modification by the bidder. **All bids will be deemed to incorporate and be subject to all of the terms of this Official Notice of Sale. The Corporation retains absolute discretion to determine whether any bid, whether written sealed or electronic, is timely and complete and conforms to this Official Notice of Sale. The Corporation takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete or nonconforming with this Official Notice of Sale or has not been received.**

Use of Parity: The use of Parity shall be at the bidder’s option and risk and each bidder thereby agrees to the following terms and conditions: (1) if any provision in this Official Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments or modifications issued through a News Service and/or Parity, will control; (2) each bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale; (3) the Corporation will not have any duty or obligation to provide or assure access to Parity to any bidder, nor will the Corporation be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid; (4) the Corporation is permitting the use of Parity as a communication mechanism, and not as an agent of the Corporation, to facilitate the submission of electronic bids for the Bonds; and Parity is acting as an independent contractor, and is not acting for or on behalf of the Corporation; (5) the Corporation is not responsible for ensuring or verifying bidder compliance with any procedures established by Parity; (6) the electronic transmission of a bid through Parity (including information regarding the purchase price for the Bonds or the interest rates for any maturity of the Bonds) is the bidder’s binding offer to purchase the Bonds; and (7) information provided by Parity to bidders will form no part of any bid or of any contract between the Purchaser and the Corporation unless that information is included in this Official Notice of Sale.

Process of Award. The Corporation will take final action awarding the Bonds or rejecting all bids not later than thirty (30) hours after the time for receipt of bids, unless such time period is waived by the Purchaser.

There are five (5) steps in the Corporation's process which results in a final award. These 5 steps are:

- (1) the Financial Advisor, on behalf of the Corporation, will give a verbal notice of award to the apparent winning bidder (the "Apparent Winning Bidder") to be determined as described below under "– Basis of Award;"
- (2) the Financial Advisor will fax or email to the Apparent Winning Bidder confirmation of the final principal amortization schedule and purchase price for the Bonds, after adjustments, if any, are made, as described above under "TERMS RELATING TO THE BONDS — Adjustment of Principal Payments;"
- (3) if the Apparent Winning Bidder submitted its bid via Parity, such Apparent Winning Bidder shall, promptly after verbal award, but no later than one hour after the award, fax to the Corporation (in c/o its Financial Advisor at 415-276-3777 or email gkitahata@gmail.com, to the City's Director of Public Finance at 415-554-4864 and to Patricia Gump, Esq. at fax 415-393-9887 or email patricia.gump@squiresanders.com) the executed and completed Official Bid Form (attached hereto as Exhibit B), executed on the Bidder's behalf by duly authorized signatory which shall state under "Yield or Price" the initial reoffering prices at which it has offered all of the Bonds of each maturity to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) in a bona fide public offering;
- (4) the Apparent Winning Bidder shall provide the Good Faith Deposit by wire transfer, as described below under "– Good Faith Deposit;" and
- (5) the Corporation will fax to the Apparent Winning Bidder its written final award.

Upon completion of all 5 steps described above, the Apparent Winning Bidder will be deemed the Purchaser of the Bonds and will be bound by the terms of the contract to purchase the Bonds, which contract shall consist of: (a) this Official Notice of Sale; (b) the information that is transmitted electronically by the bidder through Parity; (c) any adjustments to the final principal amortization schedule and purchase price made as described under "TERMS RELATED TO THE BONDS — Adjustment of Principal Payment;" and (d) the Official Bid Form; provided, however, in case of any inconsistencies between the information in the bid as transmitted electronically by the Apparent Winning Bidder through Parity and the Official Bid Form subsequently submitted by such Apparent Winning Bidder, the data submitted electronically through Parity shall control.

The price and yield set forth in the Official Bid Form will, at the discretion of the Corporation, be reflected in the Official Statement and the Purchaser will be required to certify as to the accuracy of such information. See "CLOSING PROCEDURES AND DOCUMENTS — Purchaser Certificate Concerning Official Statement."

Basis of Award. Unless all bids are rejected, the Bonds will be awarded by the Corporation to the responsible bidder whose bid, as transmitted electronically through Parity or as submitted on the Official Bid Form, represents the lowest true interest cost ("TIC") to the Corporation, taking into account the interest rate or rates and the discount or premium, if any, specified in the bid. The TIC will be that nominal annual interest rate which, when compounded semiannually and used to discount to the dated date of the Bonds all payments of principal and interest on the Bonds, results in an amount equal to the purchase price of such Bonds to be received by the Corporation. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the Corporation will determine by lot which bidder will be awarded such Bonds. Bid evaluations or rankings made by Parity are not binding on the Corporation.

Estimate of True Interest Cost. Each bidder is requested, but not required, to state in its bid the amount of interest on the Bonds during the life of the issue and the percentage TIC to the Corporation (determined

as described under “-Basis of Award”), which estimate will be considered as informative only and not binding on either the bidder or the Corporation.

Multiple Bids. In the event multiple bids are received from a single bidder the Corporation will have the right to accept the bid representing the lowest TIC to the Corporation, and each bidder agrees by submitting any bid to be bound by the bid representing the lowest TIC to the Corporation.

Good Faith Deposit. To secure the Corporation from any loss resulting from the failure of the Purchaser to comply with the terms of its bid, a good faith deposit in the amount of \$100,000 (the “Good Faith Deposit”) must be provided by the Apparent Winning Bidder.

Upon the determination by the Corporation of the Apparent Winning Bidder of the Bonds (see “— Process of Award”), the Financial Advisor will request the Apparent Winning Bidder to (a) immediately wire the Good Faith Deposit, as described below, and (b) provide, within ninety (90) minutes of such request by the Financial Advisor, the Federal wire reference number of such Good Faith Deposit to the Financial Advisor (fax 415-276-3777 or email gkitahata@gmail.com) and to Angela Whittaker, telephone: (415) 554-6643 or fax: (415) 554-4864. The wire transfer is to be made to U.S. Bank National Association, ABA: 091000022, 60 Livingston Avenue, St. Paul, Minnesota 55107, for credit to the City and County of San Francisco Finance Corporation, Account No. 180121167365.

In the event that the Apparent Winning Bidder does not wire the Good Faith Deposit as required, or does not provide the Federal wire reference number confirming the wire-transfer of such Good Faith Deposit to Financial Advisor and Angela Whittaker, within the time specified above, the Corporation may reject the bid of the Apparent Winning Bidder and may award the Bonds to a responsible bidder that submitted a confirming bid that represents the next lowest TIC to the Corporation.

The Good Faith Deposit of the Purchaser will immediately become the property of the Corporation and will be held and invested for the exclusive benefit of the Corporation. No interest will be paid upon the Good Faith Deposit. The Good Faith Deposit, without interest thereon, will be credited against the purchase price of the Bonds purchased by the Purchaser at the time of delivery thereof.

If the purchase price is not paid in full upon tender of the Bonds, the Corporation shall retain the Good Faith Deposit and the Purchaser will have no right in or to the Bonds or to the recovery of its Good Faith Deposit. The Purchaser will have no right to recover such Deposit, except pursuant to the right of cancellation. See “CLOSING PROCEDURES AND DOCUMENTS — Right of Cancellation.” In the event of nonpayment for the Bonds by a Purchaser, the Corporation reserves any and all rights granted by law to recover the full purchase price of the Bonds and, in addition, any damages suffered by the Corporation.

Reoffering Price Certificate. The Purchaser of the Bonds must actually reoffer all of the Bonds to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

On the day prior to delivery of the Bonds, the Purchaser shall provide to the Corporation (in c/o of the Financial Advisor at email: gkitahata@gmail.com or fax 415-276-3777) and Squire Sanders (US) LLP, Attention: Patricia Gump, Esq.; (at fax 415-393-9887 or email patricia.gump@squiresanders.com), a Reoffering Price Certificate in the form attached hereto as Exhibit C, which shall be dated the date of the closing and be in a form and substance acceptable to, and include such additional information as may be requested by, Bond Counsel including information necessary to complete IRS form 8038G and information regarding its sales of the Bonds as of the date of closing. For the purposes of this paragraph, sales of the Bonds to other securities brokers or dealers will not be considered sales to the general public.

The Corporation, Bond Counsel and the City will rely on the Purchaser’s certification of the initial public offering prices in determining the arbitrage yield on the Bonds.

Right of Rejection and Waiver of Irregularity. The Corporation reserves the right, in its sole and absolute discretion, to reject any and all bids, for any reason, and to waive any irregularity or informality in any bid.

Right to Modify or Amend. The Corporation reserves the right to modify or amend this Official Notice of Sale in any respect; *provided*, that any such modification or amendment will be communicated to potential bidders through a News Service and/or Parity not later than 1:00 p.m. (California time) on the business day preceding the date for receiving bids. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale.

Postponement or Cancellation of Sale. The Corporation may postpone or cancel the sale of the Bonds at or prior to the time for receiving bids. Notice of such postponement or cancellation will be given through a News Service and/or Parity as soon as practicable following such postponement or cancellation. If the sale is postponed, notice of a new sale date will be given through a News Service and/or Parity not later than 1:00 p.m. (California time) on the business day preceding the date that bids are to be received. Failure of any potential bidder to receive notice of postponement or cancellation will not affect the sufficiency of any such notice. In the event of a postponement of the sale only, any subsequent bid submitted by a bidder will supersede any prior bid made.

CHAPTER 2 CLOSING PROCEDURES AND DOCUMENTS

Delivery and Payment. Delivery of the Bonds, in the form of one bond certificate for each maturity, will be made to the Purchaser through the facilities of DTC in New York, New York, or through the facilities of the Trustee via FAST transfer, and is presently expected to take place on May 29, 2013*. Payment for the Bonds (including any premium) must be made at the time of delivery by wire transfer in funds immediately available in San Francisco. Any expense for making payment in immediately available funds shall be borne by the Purchaser. The costs of preparing the Bonds will be borne by the Corporation. The Corporation will deliver to the Purchaser, dated as of the delivery date, the legal opinion of Bond Counsel in the form set forth in APPENDIX G — “PROPOSED FORM OF BOND COUNSEL OPINION” to the Preliminary Official Statement, subject to changes, as set forth in “TAX MATTERS” in the Preliminary Official Statement.

Qualification for Sale; Blue Sky. The Corporation will furnish such information and take such action not inconsistent with law as the Purchaser may request and the Corporation may deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; *provided, however*, that the Corporation will not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. By submitting its bid for the Bonds, the Purchaser assumes all responsibility for qualifying the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of the states and jurisdictions in which the Purchaser offers or sells the Bonds, including the payment of fees for such qualification. **The Purchaser will not sell, offer to sell or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such Purchaser to make such sale, offer or solicitation, and the Purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Bonds.**

Right of Cancellation. The Purchaser will have the right, at its option, to cancel its obligation to purchase the Bonds only if the Corporation fails to execute the Bonds and tender the same for delivery within 30 days from the date of sale thereof, and in such event the Purchaser will only be entitled to the return of the Good Faith Deposit, without interest thereon.

No Litigation. Counsel to the Corporation will deliver an opinion stating that no litigation is pending (with service of process having been accomplished), or, to the knowledge of such Counsel, threatened, concerning the validity of the Indenture, the Lease (as defined in the Preliminary Official Statement) or the Bonds, the corporate existence of the Corporation, or the title to their respective offices of the officers of the Corporation who will execute the Bonds, the Indenture and the Lease.

* Subject to adjustment in accordance with this Official Notice of Sale.

CUSIP Numbers and other fees. It is anticipated that CUSIP numbers will be printed on the Bonds and in the Official Statement, but neither the failure to print such numbers on any Bonds or the Official Statement nor any error with respect thereto will constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers will be provided for convenience of reference only. The Corporation will not take any responsibility for the accuracy of such numbers.

The expenses associated with printing CUSIP numbers on the Bonds will be paid by the Corporation, however, the CUSIP Service Bureau charge for the assignment of said CUSIP numbers will be paid by the Purchaser. The Purchaser will also be required to pay all fees required by DTC, Securities Industry and Financial Markets Association, Municipal Securities Rulemaking Board, and other similar entity imposing a fee in connection with the issuance of the Bonds (including the California Debt and Investment Advisory Commission as described below).

California Debt and Investment Advisory Commission Fee. Pursuant to Section 8856 of the California Government Code, the Purchaser must pay to the California Debt and Investment Advisory Commission within 60 days from the sale date the statutory fee for the Bonds purchased.

Official Statement. Copies of the Preliminary Official Statement will be available electronically at www.i-dealprospectus.com or will be furnished to any interested bidder upon request to the Financial Advisor. The contact information for the Financial Advisor is set forth on page one of this Official Notice of Sale. In accordance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), the Corporation and the City have deemed such Preliminary Official Statement final as of its date, except for the omission of certain information permitted by Rule 15c2-12. Within seven business days after the date of award of the Bonds, the Purchaser will be furnished with a reasonable number of copies (not to exceed 25) of the final Official Statement, without charge, for distribution in connection with the resale of the Bonds. Upon the request of the Purchaser made within two (2) days of the award of the Bonds, the Corporation will supply additional copies of the Official Statement at the expense of the Purchaser.

By submitting a bid for the Bonds, each bidder agrees, if awarded the Bonds, (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements, (ii) to promptly file a copy of the final Official Statement, including any supplements prepared by the Corporation, with a nationally recognized municipal securities information repository, as defined in Rule 15c2-12, and (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers, including without limitation the delivery of a final Official Statement to each investor who purchases Bonds.

The form and content of the final Official Statement is within the sole discretion of the Corporation and the City. The Purchaser's name will not appear on the cover of the Official Statement.

City Certificate Regarding Official Statement. At the time of delivery of the Bonds, the Purchaser will receive a certificate, signed by an officer of the Corporation and the Controller of the City, confirming to the Purchaser that, to the best knowledge of said officers, the Official Statement relating to the Bonds (excluding information regarding underwriting, the initial reoffering price of the Bonds, the policy of municipal bond insurance and the provider thereof, if any, and DTC and its book-entry system, as to which no view will be expressed), as of the date thereof and as of the date of delivery thereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Purchaser Certificate Concerning Official Statement. As a condition of delivery of the Bonds, the Purchaser of the Bonds will be required to execute and deliver to the Corporation, prior to the date of closing, a certificate to the following effect:

- (i) The Purchaser has provided to the Corporation the initial reoffering prices or yields on the Bonds as printed in the final Official Statement, and the Purchaser has made a bona fide offering of the Bonds to the public at the prices and yields so shown;
- (ii) The Purchaser has not undertaken any responsibility for the contents of the final Official Statement. The Purchaser, in accordance with and as part of its responsibilities under the federal securities laws, has reviewed the information in the final Official Statement and has not notified the Corporation of the need to modify or supplement the final Official Statement; and
- (iii) The foregoing statements will be true and correct as of the date of closing.

Continuing Disclosure. In order to assist the Purchaser in complying with paragraph (b)(5) of Rule 15c2-12, the City will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Equal Opportunity. Pursuant to the spirit and intent of the Corporation's Local Business Enterprise ("LBE") Ordinance, Chapter 14B of the Administrative Code of the Corporation, the Corporation strongly encourages the inclusion of Local Business Enterprises certified by the San Francisco Human Rights Commission in prospective bidding syndicates. A list of certified LBEs may be obtained from the San Francisco Human Rights Commission, 25 Van Ness Avenue, 8th Floor, San Francisco, California; phone: (415) 252-2500.

Dated: May ____, 2013

EXHIBIT A

CERTIFICATE OF BOND INSURER

The undersigned, the duly authorized and acting _____ of _____ (the "Bond Insurer"), hereby certifies on behalf of the Bond Insurer as follows:

1. The statements contained in the Official Statement dated _____, 2013 (the "Official Statement"), relating to the \$_____ City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2013A (Equipment Program) (the "Bonds"), provided by the Insurer for use under the captions _____, which statements constitute descriptions or summaries of the municipal bond insurance policy (the "Policy") of the Bond Insurer covering the Bonds, the Bond Insurer, and financial information concerning the Bond Insurer, accurately reflect and fairly present the information set forth therein, and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; and

2. The form of Policy set forth in Appendix ___ of the Official Statement is a true and complete copy of the Policy (except for omissions therefrom of particulars relating to the Bonds).

[NAME OF BOND INSURER]

By: _____ Title: _____

Phone: _____

Date: [Date of Delivery]

EXHIBIT B

**OFFICIAL BID FORM FOR THE PURCHASE OF
\$XXX*
CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION
LEASE REVENUE BONDS
SERIES 2013A (EQUIPMENT PROGRAM)**

BIDDING FIRM'S NAME:

City and County of San Francisco Finance Corporation
c/o Director of Office of Public Finance
City Hall
1 Dr. Carlton B. Goodlett Place, Room 336
San Francisco, California 94102
Confirmation Number: (415) 554-6643

Subject to the provisions and in accordance with the terms of the Official Notice of Sale dated May ____, 2013 (the "Official Notice of Sale"), which is incorporated herein and made a part of this proposal, we have reviewed a Preliminary Official Statement relating to the above-referenced Bonds and hereby offer to purchase all of the Bonds described in the Official Notice of Sale on the terms specified in the Official Notice of Sale and **at a price of \$_____, which is equal to the par value of the Bonds, less an underwriters' discount of \$_____ and (complete one), less a net discount of \$_____ or plus a net premium of \$_____.**

MATURITY SCHEDULE

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price**</u>
April 1, 2014			
October 1, 2014			
April 1, 2015			
October 1, 2015			
April 1, 2016			
October 1, 2016			
April 1, 2017			
October 1, 2017			
April 1, 2018			
October 1, 2018			
April 1, 2019			

_____ TIC (optional and not binding): _____ %
_____ Bond Insurer, if any: _____
Authorized Signatory Maturities Insured: _____
Phone Number: _____ Bond Insurance Premium: _____
Fax Number: _____

THE CORPORATION RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS
TIMELY, LEGIBLE AND COMPLETE AND CONFORMS TO THE OFFICIAL NOTICE OF SALE.

* Subject to adjustment in accordance with Official Notice of Sale

** Yield or Price is the initial offering price at which it has offered all of the Bonds of each maturity to the general public
(excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers), in a bona fide
public offering.

EXHIBIT C

FORM OF REOFFERING PRICE CERTIFICATE

*(To be delivered and completed by the Purchaser of the Bonds, as described under
“TERMS OF SALE - Reoffering Price Certificate” in the Official Notice of Sale)*

This Certificate is being delivered by [insert name], the purchaser (the “Purchaser”), in connection with its purchase of the \$XXX aggregate principal amount of City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2013A (Equipment Program) (the “Bonds”). The Purchaser hereby certifies and represents the following:

A. Issue Price.

1. All the Bonds of all maturities were actually offered by the Purchaser to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide offering at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those set forth in Schedule I attached hereto, which the Purchaser believes is not more than the fair market value of each maturity as of May 14, 2013*, the date of sale of the Bonds.

2. On the date of the sale of the Bonds, the Purchaser sold or reasonably expected to sell to the public (excluding bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at least ten percent (10%) of each maturity of the Bonds at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those set forth in Schedule I attached hereto.

3. As of the date hereof, neither the Purchaser nor any affiliate of the Purchaser has participated in offering any derivative product with respect to the Bonds.

B. Compensation.

All compensation received by the Purchaser for underwriting services (which includes certain expenses) in connection with the sale and delivery of the Bonds will be paid in the form of a purchase discount in the amount of \$_____, and no part of such compensation includes any payment for any property or services other than underwriting services relating to sale and delivery of the Bonds.

C. Insurance.

The present value of the fee paid for the municipal bond insurance policy (the “Policy”) (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Policy. The fee paid for the Policy does not exceed a reasonable, arm’s-length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

The absence of the Policy would have affected in an adverse manner the interest rates of yields at which the Bonds were sold.

* Subject to adjustment in accordance with Official Notice of Sale

The signer is an authorized representative of the Purchaser and is duly authorized by the Purchaser to execute and deliver this Certificate on behalf of the Purchaser. The Purchaser understands that the representations contained in this Certificate will be relied on by the City and County of San Francisco Finance Corporation in making certain of its representations in its Tax Certificate for the Bonds and in completing and filing the Information Return for the Bonds with the Internal Revenue Service, and by Squire Sanders (US) LLP, Bond Counsel to the City and County of San Francisco Finance Corporation, in rendering certain legal opinions in connection with the issuance of the Bonds.

Dated: _____

By: _____
(Name of Purchaser)

Execution by: _____

Type Name: _____

Title: _____

SCHEDULE I

TO

CERTIFICATE OF PURCHASER

**Re: \$XXX* City and County of San Francisco Finance Corporation
Lease Revenue Bonds, Series 2013A (Equipment Program)**

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate⁺</u>	<u>Offering Price or Yield⁺</u>
April 1, 2014			
October 1, 2014			
April 1, 2015			
October 1, 2015			
April 1, 2016			
October 1, 2016			
April 1, 2017			
October 1, 2017			
April 1, 2018			
October 1, 2018			
April 1, 2019			

* Subject to adjustment in accordance with Official Notice of Sale

+ **To be completed by Purchaser**