

**[FORM OF] FIRST AMENDMENT TO DEALER AGREEMENT**

**Dated as of December 1, 2018**

This FIRST AMENDMENT TO DEALER AGREEMENT (this “First Amendment”) is entered into as of December 1, 2018, by and between the Public Utilities Commission (the “Commission”) of the City and County of San Francisco (the “City”) and [Dealer] (“[Dealer]”). [Dealer] is referred to as the “Dealer” herein.

**RECITALS**

The Commission and the Dealer have previously entered into a Dealer Agreement, dated as of December 1, 2015 (the “Original Dealer Agreement”) and this First Amendment amends the Original Dealer Agreement (the Original Dealer Agreement, as amended and supplemented, including as amended and supplemented by this First Amendment, the “Agreement”).

The Commission proposes to issue and reissue its Commercial Paper Notes (Power Series) Series A-1, in the maximum principal amount of \$125,000,000 at any time outstanding (the “Series A-1 Notes”), and its Commercial Paper Notes (Power Series) Series A-2, in the maximum principal amount of \$125,000,000 at any time outstanding (the “Series A-2 Notes” and, together with the Series A-1 Notes, the “Notes”).

The Notes will be issued pursuant to (i) Article V of Chapter 43 of the San Francisco Administrative Code, (ii) Sections 9.107(6) and 9.107(8) of the Charter of the City, (iii) Section 8B.124 of the Charter of the City, subject to receipt of certain required certifications, (iv) Resolution No. [\_\_\_\_], adopted by the Commission on November 13, 2018, and (v) Ordinance No. [\_\_\_\_], adopted by the Board of Supervisors of the City on [\_\_\_\_], and signed by the Mayor of the City on [\_\_\_\_], 2018.

The Notes will be issued pursuant to the terms of the First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018 (the “Issuing and Paying Agent Agreement”), by and between U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”), and the Commission.

The payment of principal and interest on the Notes will be supported by (i) an irrevocable direct-pay letter of credit (the “Series A-1 Letter of Credit”) issued by Bank of America, N.A. (the “Series A-1 Bank”), pursuant to the terms of the Reimbursement Agreement, dated as of December 1, 2015, as amended by the First Amendment to Reimbursement Agreement, dated December [\_\_], 2018 (together, the “Series A-1 Reimbursement Agreement”), each by and between the Commission and the Series A-1 Bank, and (ii) an irrevocable direct-pay letter of credit (the “Series A-2 Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Series A-2 Bank”), pursuant to the terms of the Reimbursement Agreement, dated as of December 1, 2018 (the “Series A-2 Reimbursement Agreement”), by and between the Commission and the Series A-2 Bank.

[Dealer] has agreed to act as a non-exclusive Dealer for the Notes and to perform the duties imposed by this Agreement.

## AGREEMENTS

Section 1. Amended Definitions. The following defined terms in the Original Dealer Agreement are hereby amended and restated to read as follows:

“Agreement” means the Original Dealer Agreement, as amended and supplemented.

“Issuing and Paying Agent Agreement” means the First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018, by and between U.S. Bank National Association and the Commission, as amended and supplemented.

“Notes” means the Series A-1 Notes or the Series A-2 Notes.

Section 2. Definitions in Sections 3, 4, 7, 8, 9 and 11 of the Original Dealer Agreement. In Sections 3, 4, 7, 8, 9 and 11 of the Original Dealer Agreement, “Bank” means the Series A-1 Bank or the Series A-2 Bank, as applicable, “Termination Date” means the stated termination date established pursuant to the applicable Letter of Credit, “Letter of Credit” means the Series A-1 Letter of Credit or the Series A-2 Letter of Credit, as applicable, and “Reimbursement Agreement” means the Series A-1 Reimbursement Agreement or the Series A-2 Reimbursement Agreement, as applicable.

Section 3. Amendment of Section 3(b) of the Original Dealer Agreement. Section 3(b) of the Original Dealer Agreement is hereby amended to read as follows:

The Dealer shall use its best efforts, consistent with commercial customs and practices, to solicit and arrange sales of the Notes at such rates and maturities as may prevail from time to time in the market in accordance with Section 4 below, and, in any event, the Dealer shall use its best efforts to solicit and arrange sales of the Notes up to the Maximum Interest Rate, as required by the applicable Issuing and Paying Agent Agreement, and irrespective of whether the rate for unreimbursed drawings under the Letter of Credit or unreimbursed advances under the Reimbursement Agreement is less than the Maximum Interest Rate. The Dealer agrees to make a good faith effort to notify Commission if for any reason it believes that it will not be able to sell the Notes on the date such Notes are to be issued. The Dealer and the Commission agree that any Notes which the Dealer may purchase or for which the Dealer may arrange the sale, will be purchased or sold on the terms and conditions and in the manner provided in the Issuing and Paying Agent Agreement and this Agreement. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions hereof and the Issuing and Paying Agent Agreement, the provisions of the Issuing and Paying Agent Agreement shall be controlling.

Section 4. Deletion of Section 7(f) of the Original Dealer Agreement. Section 7(f) of the Original Dealer Agreement is hereby deleted in its entirety.

Section 5. Amendment of Section 7(g) of the Original Dealer Agreement. Section 7(g) of the Original Dealer Agreement is hereby amended to read as follows:

The Commission will cooperate with the Dealer in arranging for the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States as the Dealer may designate and will use its best efforts to continue such qualifications in effect so long as the Notes are being offered by the Dealer; provided, however, that the Commission will not be required to execute a special or general consent to service of process or qualify to do business in connection with action taken under this subsection nor will the Commission be required to incur any material expense.

Section 6. Amendment of Section 9(a) of the Original Dealer Agreement. Section 9(a) of the Original Dealer Agreement is hereby amended to read as follows:

The Documents shall be in full force and effect and the Notes to be issued on such date shall have the full benefits of all of the foregoing, all of which shall not have been amended, modified or supplemented in a manner that adversely affects the Dealer, except as may have been agreed to in writing by the Dealer, and there shall be in full force and effect such additional resolutions, agreements, instruments and certificates (including such certificates as may be required by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, regarding the exclusion from gross income of interest on all or a portion of the Notes from federal income tax) and such opinions of counsel, which resolutions, agreements, certificates and opinions of counsel shall be satisfactory in form and substance to the Dealer and there shall have been taken in connection therewith and in connection with the issuance or resale of the Notes all such action as shall, in the opinion of the aforesaid Bond Counsel, be necessary in connection with the transactions contemplated hereby.

Section 7. Amendment of Section 9(c)(ii) of the Original Dealer Agreement. Section 9(c)(ii) of the Original Dealer Agreement is hereby amended to read as follows:

an opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in the form attached as Appendix B to the Offering Memorandum;

Section 8. Amendment of Section 10 of the Original Dealer Agreement. Section 10 of the Original Dealer Agreement is hereby amended to read as follows:

(a) For the services to be performed by the Dealer under this Agreement, the Commission agrees to pay the Dealer an annual fee equal to 4.75 basis points (0.0475%) of the average outstanding principal amount of the Notes managed by the Dealer, payable quarterly in arrears, within 30 days after receipt of the bill for the preceding quarter, commencing with the quarter ending [December 31, 2018].

(b) The Commission's obligations under this Section 10 which have accrued or arisen prior to the effective date of any termination or expiration of this Agreement shall survive such termination or expiration.

Section 9. Amendment of Section 21 of the Original Dealer Agreement. The first sentence of Section 21 of the Original Dealer Agreement is hereby amended to read as follows:

The initial term of this Agreement, as amended by the First Amendment, shall be from the date first written above through December [\_\_\_], 2022.

Section 10. Reaffirmation of Original Dealer Agreement. All terms and conditions of the Original Dealer Agreement not expressly modified by this First Amendment are expressly reaffirmed as if set forth in their entirety herein and shall remain unaffected, unchanged and unimpaired by reason of this First Amendment and the Commission and Dealer shall continue to be bound by same.

Section 11. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed and delivered as of the date first above written.

PUBLIC UTILITIES COMMISSION OF  
THE CITY AND COUNTY OF SAN  
FRANCISCO

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Harlan L. Kelly, Jr.  
General Manager

APPROVED AS TO FORM:  
DENNIS HERRERA  
City Attorney

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Mark D. Blake  
Deputy City Attorney

ACKNOWLEDGED:  
OFFICE OF PUBLIC FINANCE OF THE  
CITY AND COUNTY OF SAN  
FRANCISCO

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Anna Van Degna  
Director of Public Finance

[DEALER]

By: \_\_\_\_\_  
Authorized Signatory