
TWENTY-THIRD SUPPLEMENTAL INDENTURE

by and between

U.S. BANK NATIONAL ASSOCIATION, as Trustee

and

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

Dated as of October 1, 2016

AUTHORIZING THE ISSUANCE OF
\$[PAR AMOUNT] AGGREGATE PRINCIPAL AMOUNT OF
PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO WATER REVENUE BONDS
2016 SERIES C
(FEDERALLY TAXABLE)

(Supplemental to the Amended and Restated Indenture,
dated as of August 1, 2002, as amended and supplemented)

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TWENTY-THIRD SUPPLEMENTAL INDENTURE
(Supplemental to the Amended and Restated Indenture,
dated as of August 1, 2002, as amended and supplemented)
Authorizing the Issuance of

[\$[PAR AMOUNT] Aggregate Principal Amount of
Public Utilities Commission of the
City and County of San Francisco
San Francisco Water Revenue Bonds
2016 Series C
2016 Series C (Federally Taxable)

This Twenty-Third Supplemental Indenture, dated as of October 1, 2016 (this “Twenty-Third Supplemental Indenture”), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), and the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “Commission”), a commission duly constituted under the Charter (the “Charter”) of the City and County of San Francisco (the “City”);

WITNESSETH:

WHEREAS, this Twenty-Third Supplemental Indenture is supplemental to the Amended and Restated Indenture, dated as of August 1, 2002, between the Commission and the Trustee, as amended and supplemented (the “Indenture”);

WHEREAS, pursuant to Proposition E of 2002, and various ordinances and resolutions adopted by the Board and this Commission thereunder, there are outstanding, as of September 1, 2016, \$_____ aggregate principal amount of Bonds issued pursuant to this Indenture; and,

WHEREAS, pursuant to Proposition E of 2002, and various ordinances and resolutions adopted by the Board and this Commission, the Commission has authorized a commercial paper program for the water enterprise in an aggregate principal amount not to exceed \$500,000,000 (the “Commercial Paper Program”); and,

WHEREAS, the Commission has issued and outstanding approximately \$236,000,000 of commercial paper pursuant to its Water CP Program (the “Outstanding CP”); and

WHEREAS, the Indenture provides that the Commission may, subject to the requirements of the Law (as defined herein) and the Indenture, issue one or more other series of Bonds from time to time pursuant to a supplemental indenture;

WHEREAS, the Commission has determined to issue a series of Bonds under this Twenty-Third Supplemental Indenture designated “San Francisco Water Revenue Bonds, 2016

Series C (Federally Taxable)” in the aggregate original principal amount of \$[PAR AMOUNT] to [refund [all][a portion] of the Outstanding CP];

WHEREAS, the 2016 Series C Bonds will be issued by the Commission under the Indenture as a Series of Bonds payable on a parity with the other Outstanding Series of Bonds;

WHEREAS, the conditions and limitations contained in the Law and the Indenture will be satisfied at the time of issuance of the 2016 Series C Bonds;

WHEREAS, in order to provide for the issuance of the 2016 Series C Bonds, to establish and declare the terms and conditions upon which the 2016 Series C Bonds are to be issued and to secure the payment of the principal thereof, and premium, if any, and interest thereon, the Commission has authorized the execution and delivery of this Twenty-Third Supplemental Indenture; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Twenty-Third Supplemental Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Twenty-Third Supplemental Indenture;

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE CVII

DEFINITIONS

SECTION 107.01 Definitions. The terms defined in this section shall, for all purposes of this Twenty-Third Supplemental Indenture, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Terms defined in the Indenture not otherwise defined herein (including the preamble hereto) shall have the meanings specified therein.

2016 Series C Project

The term “2016 Series C Project” means the reconstruction, replacement, expansion and repair of or improvements to the water facilities of the Enterprise including, but not limited to, a portion of the Commission’s Water System Improvement Program with proceeds of the 2016 Series C Bonds.

ARTICLE CVIII

PROVISIONS RELATING TO 2016 SERIES C BONDS

SECTION 108.01 Authorization and Terms of 2016 Series C Bonds. Bonds of the Commission in the additional aggregate principal amount of \$[PAR AMOUNT] are hereby authorized to be issued under the Charter and the Law and pursuant to the Indenture.

(a) Such Bonds are designated as the “San Francisco Water Revenue Bonds, 2016 Series C (Federally Taxable)” (the “2016 Series C Bonds”). The aggregate principal amount of 2016 Series C Bonds that may be issued and Outstanding under this Twenty-Third Supplemental Indenture shall be \$[PAR AMOUNT], except as may be otherwise provided in Section 2.08 of the Indenture. The 2016 Series C Bonds shall be of the tenor known as Current Interest Bonds.

The 2016 Series C Bonds shall be initially registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, New York, New York, and shall be evidenced by one 2016 Series C Bond maturing on each maturity date in a denomination corresponding to the total principal designated to mature on such date. Registered ownership of the 2016 Series C Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 104.03 herein.

The 2016 Series C Bonds shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof; provided that no 2016 Series C Bond shall have principal maturing on more than one principal maturity date. The 2016 Series C Bonds shall be dated as of the date of delivery thereof, and shall accrue interest from such date.

(b) The 2016 Series C Bonds shall mature on November 1 on the following dates and in the following amounts and shall bear interest at the following rates per annum payable on May 1, 2017, and semiannually thereafter on May 1 and November 1 in each year, calculated on the basis of a 360-day year consisting of twelve 30-day months:

Maturity Date (November 1)	Principal Amount	Interest Rate
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The 2016 Series C Bonds are hereby designated as Serial Bonds. [Add Term Bonds, if applicable]

(c) The principal of and premium, if any, on the 2016 Series C Bonds shall be payable by check or wire transfer (as described in the next paragraph) in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the corporate trust office of U.S. Bank National Association, in San Francisco, California, as Trustee, or such other office designated by the Trustee.

The interest on the 2016 Series C Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the close of business on the 15th day of the calendar month immediately preceding an interest payment date, whether or not such day is a Business Day, such interest to be paid by check mailed to such Owner at such address as appears on such registration books or at such address as such Owner may have filed with the Trustee for that purpose, or at the request of an Owner of at least \$1,000,000 in aggregate principal amount of 2016 Series C Bonds filed with

the Trustee by such 15th day, by wire transfer to such account designated in such request at a financial institution in the United States.

(d) Each 2016 Series C Bond shall bear interest from the interest payment date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the calendar month next preceding any interest payment date to the interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless it is authenticated on or before April 15, 2017, in which event it shall bear interest from October __, 2016; provided, however, that if, at the time of authentication of any Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding Bonds and shall be payable to the Owners thereof of record as of a special date as shall be established by the Trustee following such default.

(e) The 2016 Series C Bonds shall be subject to redemption as provided in Section 108.09.

(f) The Trustee shall assign each 2016 Series C Bond authenticated and registered by it a distinctive letter or number, or letter and number, and shall maintain a record thereof which shall be available to the Commission for inspection.

(g) There shall be no Required Reserve for the 2016 Series C Bonds.

(h) The Commission has reviewed all proceedings heretofore taken relative to the authorization of the 2016 Series C Bonds and has found, as a result of such review, that all conditions, things and acts required by law to exist, happen or be performed precedent to and in the issuance of the 2016 Series C Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Commission is authorized, pursuant to each and every requirement of law, to issue the 2016 Series C Bonds in the manner and form provided in this Twenty-Third Supplemental Indenture.

SECTION 108.02 Form of 2016 Series C Bonds. The 2016 Series C Bonds and the Trustee's certificates of authentication and registration and the form of assignment to appear thereon shall be in substantially the form set forth as Exhibit AA to this Twenty-Third Supplemental Indenture, with necessary or appropriate variations, omissions and insertions as permitted or required by this Twenty-Third Supplemental Indenture.

Pursuant to Section 3.06 and 9.01(b) of the Indenture, execution of the 2016 Series C Bonds does not require the seal of the Commission.

SECTION 108.03 Use of Depository.

(a) The 2016 Series C Bonds shall be initially registered as provided in Section 104.01 hereof. Registered ownership of the 2016 Series C Bonds, or any portions thereof, may not thereafter be transferred except:

i. to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (a) (a

“Substitute Depository”); provided that any successor of The Depository Trust Company or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

ii. to any Substitute Depository not objected to by the Trustee, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Commission that The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

iii. to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Commission to remove The Depository Trust Company or its successor (or Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of all Outstanding 2016 Series C Bonds by the Trustee, together with a Written Request of the Commission to the Trustee designating the Substitute Depository, a single new 2016 Series C Bond, which the Commission shall prepare or cause to be prepared, shall be executed and delivered for each maturity of 2016 Series C Bonds then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Written Request of the Commission.

(c) In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of all Outstanding 2016 Series C Bonds by the Trustee, together with a Written Request of the Commission to the Trustee, new 2016 Series C Bonds, which the Commission shall prepare or cause to be prepared in definitive form, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such Written Request of the Commission, subject to the limitations of Section 108.01 hereof, provided that the Trustee shall not be required to deliver such new 2016 Series C Bonds within a period less than 60 days after the date of receipt of such Written Request from the Commission.

(d) In the case of a partial redemption or an advance refunding of any 2016 Series C Bonds evidencing a portion of the principal maturing in a particular year, The Depository Trust Company or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such 2016 Series C Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee. The Trustee shall not be liable for such Depository's (or any Substitute Depository's) failure to make such notations or errors in making such notations.

(e) The Commission and the Trustee shall be entitled to treat the person in whose name any 2016 Series C Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Commission; and the Commission and the Trustee shall not have responsibility for

transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the 2016 Series C Bonds. Neither the Commission nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the Owner of any 2016 Series C Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the 2016 Series C Bonds.

(f) Notwithstanding any other provision of this Twenty-Third Supplemental Indenture and so long as all Outstanding 2016 Series C Bonds are registered in the name of Cede & Co. or its registered assigns, the Commission and the Trustee shall cooperate with Cede & Co., as sole registered Bondowner, and its registered assigns, in effecting payment of the principal of and redemption premium, if any, and interest on the 2016 Series C Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the letter of representations delivered by the Commission and the Trustee to The Depository Trust Company with respect to the 2016 Series C Bonds, the provisions of which the Trustee may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

SECTION 108.04 Issuance of 2016 Series C Bonds.

(a) At any time after the execution of this Twenty-Third Supplemental Indenture, the Commission may execute and the Trustee may authenticate and, upon a Written Request or Certificate of the Commission, deliver 2016 Series C Bonds in the aggregate principal amount of \$[PAR AMOUNT] to the initial purchasers thereof specified in such Written Request or Certificate.

SECTION 108.05 Application of Proceeds of 2016 Series C Bonds.

(a) The original purchaser of the 2016 Series C Bonds will pay and deliver the purchase price of the 2016 Series C Bonds (including any good faith deposit paid prior to the Closing Date) equal to \$_____ to the Trustee, who shall deposit and transfer this amount, as follows:

1. The Trustee shall deposit \$_____ in a separate fund to be known as the “2016 Series C Costs of Issuance Fund,” which the Trustee hereby agrees to establish and maintain.

2. The Trustee shall deposit \$_____ in the 2016 Series C Capitalized Interest Account, which the Trustee hereby agrees to establish and maintain within the Interest Fund.

3. The Trustee shall transfer \$_____, to the Treasurer for deposit to the 2016 Series C Project Fund established under Section 108.08.

4. [The Trustee shall transfer the remaining balance, being \$_____, to U.S. Bank National Association, as issuing and paying agent for the Water Enterprise commercial paper notes, to prepay [all][a portion] of such commercial paper notes.]

(b) Before any payment is made by the Trustee to pay costs of issuance from the 2016 Series C Costs of Issuance Fund, the Commission shall cause to be filed with the Trustee a Written Requisition of the Commission showing with respect to each payment to be made:

1. the item number of the payment;
2. the name and address of the person to whom payment is due;
3. the amount to be paid; and
4. the purpose for which the obligation to be paid was incurred.

Each such Written Requisition shall state, and shall be sufficient evidence to the Trustee:

(y) that obligations in the stated amounts have been incurred by the Commission and that each item thereof is a proper charge; and

(z) that there has not been filed with or served upon the Commission notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Requisition, which has not been released or will not be released simultaneously with the payment of such obligation.

Upon receipt of each such Written Requisition, the Trustee will pay the amounts set forth in such Written Requisition as directed by the terms hereof. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When all costs of issuance have been paid, the Commission shall deliver a Certificate of the Commission stating such fact to the Trustee (as described in clause (c) below).

(c) The money in the 2016 Series C Costs of Issuance Fund shall be used and disbursed in the manner provided herein for the purpose of paying all costs of issuance incidental to or connected with the issuance of the 2016 Series C Bonds (or for making reimbursements to the Commission or any other person, firm or corporation for such costs theretofore paid by such person or it).

Any balance of money remaining in the 2016 Series C Costs of Issuance Fund after the payment of all costs incidental to or connected with the issuance of the 2016 Series C Bonds (as certified to the Trustee by the Commission pursuant to the final paragraph of clause (b) above or on April __, 2017, whichever is earlier, shall be transferred by the Trustee to the Commission and the 2016 Series C Costs of Issuance Fund shall be closed.

(d) Amounts on deposit in the 2016 Series C Capitalized Interest Account shall be applied to the payment of interest on the 2016 Series C Bonds on each May 1 and November 1, commencing on May 1, 2017, prior to amounts in the Interest Fund being so used, until no amounts remain on deposit in the 2016 Series C Capitalized Interest Account, whereupon the

2016 Series C Capitalized Interest Account shall be closed. All moneys held by the Trustee in the 2016 Series C Capitalized Interest Account may be invested in Legal Investments maturing not later than the date on which such moneys are required for payment by the Trustee. Any excess amounts on deposit in the 2016 Series C Capitalized Interest Account that are not applied to the payment of interest on the 2016 Series C Bonds will be deposited in the 2016 Series C Project Fund and used only to pay capital expenditures.

SECTION 108.06 Establishment and Application of the 2016 Series C Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder to be known as the “2016 Series C Rebate Fund” (for purposes of this Article, the “Rebate Fund”). Within the Rebate Fund, the Trustee shall maintain such accounts as it is instructed by the Commission as necessary in order to comply with the terms and requirements of the Tax Certificate with respect to the 2016 Series C Bonds, dated the date of issuance of the 2016 Series C Bonds (for purposes of this Article, the “Tax Certificate”).

Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee for the account of the Commission in trust, to the extent required to satisfy the requirements for rebate, as set forth in the Tax Certificate (for purposes of this Article, the “Rebate Requirement”), for payment to the federal government of the United States of America, and no other person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 108.07 hereof and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions and fulfilled its obligation with respect to rebate as long as it follows the written directions of the Commission, including supplying all necessary information in the manner provided in the Tax Certificate. The Trustee shall not be required to take any actions under this Section, Section 108.07 hereof or the Tax Certificate in the absence of written directions by the Commission, and shall have no liability or responsibility to enforce compliance by the Commission with the terms of the Tax Certificate nor make computations in connection therewith.

(b) Upon the Commission’s written direction, an amount shall be deposited in the Rebate Fund by the Trustee from deposits by the Commission so that the balance of the amount on deposit therein equals the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Commission in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under the Indenture or from other moneys provided to it by or on behalf of the Commission.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments as instructed in writing by the Commission, subject to the restrictions set forth in the Tax Certificate. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the Commission's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Commission so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the Commission's written directions. Any funds remaining in the Rebate Fund after redemption and payment of all of the 2016 Series C Bonds and payment and satisfaction of any Rebate Requirement shall be withdrawn and remitted to the Commission upon the Commission's written request.

(f) Notwithstanding any other provision of the Indenture, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section, Section 108.07 hereof and the Tax Certificate shall survive the defeasance or payment in full of the 2016 Series C Bonds.

SECTION 108.07 Tax Covenants.

The Commission covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the 2016 Series C Bonds under Section 103 of the Code.

The Commission will not directly or indirectly use or permit the use of any proceeds of the 2016 Series C Bonds or any other funds of the Commission, or take or omit to take any action that would cause the 2016 Series C Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the Commission will comply with all requirements of Section 148 of the Code to the extent applicable to the 2016 Series C Bonds. If at any time the Commission is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture or otherwise, the Commission shall so instruct the Trustee in writing, and the Trustee shall take such action as required by such instructions.

Without limiting the generality of the foregoing, the Commission agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applied to the 2016 Series C Bonds from time to time. This covenant shall survive payment in full or defeasance of the 2016 Series C Bonds. The Commission specifically covenants to pay or cause to be paid to the United States, at the times and in the amounts determined under Section 108.06 hereof, the Rebate Requirement. The Trustee agrees to comply with all written instructions of the Commission given in accordance with the Tax Certificate.

Notwithstanding any provision of this Section and Section 108.06 hereof, if the Commission provides to the Trustee an opinion of nationally recognized bond counsel to the effect that any action required under this Section and Section 108.06 hereof or under the Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the 2016 Series C Bonds under Section 103 of the Code, the Commission and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

The Commission shall assure that the proceeds of the 2016 Series C Bonds are not so used as to cause the 2016 Series C Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

The Commission shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2016 Series C Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

SECTION 108.08 Establishment and Application of the 2016 Series C Project Fund.

(a) The Commission hereby covenants and agrees to establish, maintain and hold hereunder within the Improvement Fund, established under Section 3.03 of the Indenture, a separate account known as the “2016 Series C Project Fund” (herein called the “2016 Series C Project Fund”).

(b) The Treasurer shall hold the amounts on deposit in the 2016 Series C Project Fund, which shall be maintained and accounted for by the Controller so long as any moneys are on deposit therein. Upon completion of the 2016 Series C Project, the Commission may direct the transfer of any remaining balance in the 2016 Series C Project Fund to any other lawfully available fund or account of the Commission; provided such transfer is consistent with the Commission’s covenants in the Tax Certificate.

(c) The moneys in the 2016 Series C Project Fund shall be held by the Treasurer in trust and applied to the costs of the 2016 Series C Project and the expenses incident thereto or connected therewith, including, if necessary, interest to the extent permitted by law, reimbursement to the Commission for expenses incurred prior to the issuance of the 2016 Series C Bonds or in connection with the Enterprise, architectural, engineering and inspection fees and expenses, apparatus, equipment and furnishings for the Enterprise, testing and inspection, surveys, insurance premiums, losses during construction not insured against because of deductible amounts, the fees and expenses of the Trustee, legal accounting and consultant fees and expenses, and similar expenses.

(d) All moneys held by the Treasurer in the 2016 Series C Project Fund may be invested in Legal Investments maturing not later than the date on which such moneys are required for payment by the Treasurer. The Treasurer shall pay out moneys from the 2016 Series C Project Fund only upon warrants drawn by the Controller in the manner provided by law. No withdrawals shall be made from the 2016 Series C Project Fund for any purpose not authorized by law.

SECTION 108.09 Terms of Redemption.

(a) Optional Redemption.

i. Reserved.

ii. The 2016 Series C Bonds maturing on or after November 1, _____, shall be subject to redemption prior to their stated maturity, at the option of the Commission, from and to the extent of any source of available funds, as a whole or in

part, on any date on or after May 1, ____, and if in part by lot within such maturity, at a redemption price equal to 100% of the principal amount of the 2016 Series C Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

iii. The Commission shall give the Trustee written notice at least 45 days before any date fixed for the redemption of 2016 Series C Bonds to be redeemed pursuant to subsection (a)(ii) above, of the fact and date of redemption and of the principal amount of 2016 Series C Bonds and the maturities or portions thereof to be redeemed.

(b) The 2016 Series C Bonds maturing on November 1, ____, November 1, ____ and November 1, ____, and payable from the 2016 Series C Sinking Fund Account, are further subject to redemption prior to their stated maturity, from the 2016 Series C Sinking Fund Account (described in Section 108.10), on any November 1 on or after November 1, ____, November 1, ____ and November 1, ____, respectively, by lot within any such maturity if less than all of the 2016 Series C Bonds of such maturity and tenor be redeemed, upon payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium.

Such sinking fund redemption of the 2016 Series C Bonds maturing on November 1, ____, November 1, ____ and November 1, ____, shall only be made in amounts equal to, and in accordance with, the schedule of principal amounts of 2016 Series C Bonds to be redeemed in each such year set forth in Section 108.10 below.

(c) The provisions of the Indenture relating to redemption of Bonds set forth in Sections 4.02, 4.03, 4.04, 4.05 and 4.06 shall apply to the redemption of the 2016 Series C Bonds.

(d) In lieu of redemption of the 2016 Series C Bonds pursuant to the preceding paragraph (a), the Commission may purchase such 2016 Series C Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Commission may in its discretion determine. The par amount of any of such 2016 Series C Bonds so purchased by the Commission in any twelve-month period ending on September 1 in any year shall be credited towards and shall reduce the par amount of such 2016 Series C Bonds required to be redeemed pursuant to the above subsections on the next succeeding November 1.

SECTION 108.10 2016 Series C Sinking Fund Account.

The Trustee shall establish and hold within the Principal Fund established under Section 5.02(b) of the Indenture, a 2016 Series C Sinking Fund Account, which the Commission hereby covenants and agrees to cause to be maintained, for payment of the Bond Obligation of the 2016 Series C Term Bonds.

The Trustee, on or before October 31 of each year (commencing on or before October 31, ____), shall deposit in the 2016 Series C Sinking Fund Account from the Principal Fund moneys in an amount sufficient to call and redeem or to pay at maturity, as the case may be, the principal of 2016 Series C Term Bonds in the following respective principal amounts on the next

succeeding November 1 in each of the following years (each such deposit of moneys being referred to as a “2016 Series C Minimum Sinking Fund Account Payment”).

The 2016 Series C Term Bonds maturing on November 1, ____ are subject to mandatory redemption as follows:

<u>Year</u>	<u>Principal Amount</u>
†	\$

†	Maturity

The 2016 Series C Term Bonds maturing on November 1, ____ are subject to mandatory redemption as follows:

<u>Year</u>	<u>Principal Amount</u>
†	\$

†	Maturity

During the 12-month period immediately preceding each redemption from the 2016 Series C Sinking Fund Account, the Commission may satisfy, in whole or in part, the 2016 Series C Minimum Sinking Fund Account Payment and the redemption therefrom by depositing with the Trustee 2016 Series C Term Bonds for cancellation prior to the Trustee’s selection of the 2016 Series C Term Bonds for redemption.

All moneys in the 2016 Series C Sinking Fund Account, at the Written Request of the Commission, shall be used and withdrawn by the Trustee at any time for the purchase of 2016 Series C Term Bonds (except that no 2016 Series C Term Bonds maturing in any year shall be purchased so long as any 2016 Series C Term Bonds maturing in any earlier year and being of like tenor are Outstanding) at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Commission shall direct by Written Request, but not to exceed the principal thereof, and all 2016 Series C Bonds so purchased by the Trustee or deposited by the Commission, shall be cancelled and delivered to the Commission; provided, however, that

- i. all moneys in the 2016 Series C Sinking Fund Account on each October 15, beginning on October 15, ____ and ending on October 15, ____, together with any additional sums the Trustee expects to receive for deposit in the 2016 Series C Sinking Fund Account after such date and on or before the next succeeding November 1, shall be used and withdrawn by the Trustee solely for the purpose of redeeming the 2016 Series C Bonds that are subject to redemption under this Section; and

ii. the Trustee shall during each 12-month period beginning with the 12-month period ending on November 1, ____, purchase or call and redeem (as herein provided) an aggregate amount of 2016 Series C Bonds equal to at least the amount of Bond Obligation of the 2016 Series C Bonds identified above in this Section for such 12-month period reduced by the principal amount of 2016 Series C Term Bonds deposited by the Commission with the Trustee, except that if 2016 Series C Term Bonds of any Term Bond maturity have previously been redeemed or purchased by the Trustee or deposited by the Commission in excess of the amount of Bond Obligation of the 2016 Series C Bonds identified above in this Section, there shall be deemed to have been a reduction of the remaining amounts stated above in this Section 108.10 on a Proportionate Basis, and further except that moneys in the 2016 Series C Sinking Fund Account shall be used, to the extent necessary, to purchase or retire the Outstanding 2016 Series C Term Bonds at the maturity thereof.

The Commission hereby covenants and agrees with the Owners of the 2016 Series C Bonds to call and redeem 2016 Series C Bonds from the 2016 Series C Sinking Fund Account pursuant to this Section on November 1 in each of the years, and in the amounts, stated above in this Section.

SECTION 108.11 Reserved.

SECTION 108.12 Continuing Disclosure.

The Commission hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate, dated as of the date of issuance of the 2016 Series C Bonds, executed and delivered by the Commission in connection with the issuance of the 2016 Series C Bonds, as it may be supplemented and amended in accordance with its terms (the “2016 Series C Continuing Disclosure Certificate”). Notwithstanding any other provision of the Indenture, failure of the Commission to comply with the 2016 Series C Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Participating Underwriter (as such term is defined in the 2016 Series C Continuing Disclosure Certificate) or any Bondowner or beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Commission to comply with its obligations under this Section, and the sole remedy in the event of any failure of the Commission to comply with the 2016 Series C Continuing Disclosure Certificate shall be an action to compel performance.

ARTICLE CIX

MISCELLANEOUS

SECTION 109.01 Terms of 2016 Series C Bonds Subject to the Indenture.

Except as expressly provided in this Twenty-Third Supplemental Indenture, every term and condition contained in the Indenture shall apply to this Twenty-Third Supplemental Indenture, and to the 2016 Series C Bonds, with the same force and effect as if the same were

herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Twenty-Third Supplemental Indenture.

This Twenty-Third Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 109.02 Effective Date of Twenty-Third Supplemental Indenture.

This Twenty-Third Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 109.03 Execution in Counterparts; No Seal Required for Execution. This Twenty-Third Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. No seal of the Commission is required for the execution of this Twenty-Third Supplemental Indenture.

ARTICLE CX

ADDITIONAL CITY REQUIREMENTS

As used in this Article, “Agreement” means the Indenture. [UPDATE AS NECESSARY]

To the extent of any inconsistency between the provisions in this Article and the provisions in prior Articles of this Indenture entitled “City Requirements” or “Additional City Requirements,” the provisions of this Article shall control.

SECTION 110.01 Local Business Enterprise Utilization; Liquidated Damages.

(a) The LBE Ordinance

The Trustee shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “LBE Ordinance”), provided such amendments do not materially increase the Trustee’s obligations or liabilities, or materially diminish the Trustee’s rights, under this Twenty-Third Supplemental Indenture. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Twenty-Third Supplemental Indenture as though fully set forth in this section. The Trustee’s willful failure to comply with any applicable provision of the LBE Ordinance is a material breach of the Trustee’s obligations under this Twenty-Third Supplemental Indenture and shall entitle City, subject to any applicable notice and cure provisions set forth in this Twenty-Third Supplemental Indenture, to exercise any of the remedies provided for under this Twenty-Third Supplemental Indenture, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless

this Twenty-Third Supplemental Indenture expressly provides that any remedy is exclusive. In addition, the Trustee shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(b) Enforcement

If the Trustee willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Twenty-Third Supplemental Indenture pertaining to LBE participation, the Trustee shall be liable for liquidated damages in an amount equal to the Trustee's net profit on this Twenty-Third Supplemental Indenture, or 10% of the total amount of this Twenty-Third Supplemental Indenture, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against the Trustee authorized in the LBE Ordinance, including declaring the Trustee to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Trustee's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Twenty-Third Supplemental Indenture, the Trustee acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. The Trustee further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Trustee on any contract with City.

The Trustee agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Twenty-Third Supplemental Indenture, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

SECTION 110.02 Nondiscrimination; Penalties.

(a) Trustee Shall Not Discriminate

In the performance of this Twenty-Third Supplemental Indenture, the Trustee agrees not to discriminate against any employee, City and County employee working with the Trustee or subcontractor, applicant for employment with the Trustee or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts

The Trustee shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which

are available from Purchasing) and shall require all subcontractors to comply with such provisions. The Trustee's failure to comply with the obligations in this subsection shall constitute a material breach of this Twenty-Third Supplemental Indenture.

(c) Nondiscrimination in Benefits

The Trustee does not as of the date of this Twenty-Third Supplemental Indenture and will not during the term of this Twenty-Third Supplemental Indenture, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract

As a condition to this Twenty-Third Supplemental Indenture, the Trustee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (formerly 'Human Rights Commission').

(e) Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Twenty-Third Supplemental Indenture as though fully set forth herein. The Trustee shall comply fully with and be bound by all of the provisions that apply to this Twenty-Third Supplemental Indenture under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Trustee understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Twenty-Third Supplemental Indenture may be assessed against the Trustee and/or deducted from any payments due the Trustee.

SECTION 110.03 MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Twenty-Third Supplemental Indenture on behalf of the Trustee acknowledges and agrees that he or she has read and understood this section.

SECTION 110.04 Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges

contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

SECTION 110.05 Drug-Free Workplace Policy. The Trustee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. The Trustee agrees that any violation of this prohibition by the Trustee, its employees, agents or assigns will be deemed a material breach of this Twenty-Third Supplemental Indenture.

SECTION 110.06 Compliance with Americans with Disabilities Act. The Trustee acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Trustee shall provide the services specified in this Twenty-Third Supplemental Indenture in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Trustee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Twenty-Third Supplemental Indenture and further agrees that any violation of this prohibition on the part of the Trustee, its employees, agents or assigns will constitute a material breach of this Twenty-Third Supplemental Indenture.

SECTION 110.07 Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

SECTION 110.08 Limitations on Contributions. Through execution of this Twenty-Third Supplemental Indenture, the Trustee acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, the board of a state agency on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Trustee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Trustee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Trustee's board of directors; the Trustee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Trustee; any subcontractor listed in the bid or contract; and any committee

that is sponsored or controlled by the Trustee. Additionally, the Trustee acknowledges that the Trustee must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126. [The Trustee further agrees to provide to the City the names of each person, entity or committee described above.]

SECTION 110.09 Requiring Minimum Compensation for Covered Employees.

(a) The Trustee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Twenty-Third Supplemental Indenture as though fully set forth. The text of the MCO is available on the web at <http://www.sfgov.org/olse/mco>. A partial listing of some of the Trustee's obligations under the MCO is set forth in this Section. The Trustee is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

(b) The MCO requires the Trustee to pay the Trustee's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Trustee is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Trustee shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Trustee's obligation to ensure that any subcontractors of any tier under this Twenty-Third Supplemental Indenture comply with the requirements of the MCO. If any subcontractor under this Twenty-Third Supplemental Indenture fails to comply, the City may pursue any of the remedies set forth in this Section against the Trustee.

(c) The Trustee shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(d) The Trustee shall maintain employee and payroll records as required by the MCO. If the Trustee fails to do so, it shall be presumed that the Trustee paid no more than the minimum wage required under State law.

(e) The City is authorized to inspect the Trustee's job sites and conduct interviews with employees and conduct audits of the Trustee.

(f) The Trustee's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Twenty-Third Supplemental Indenture. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Trustee fails to comply with these requirements. The Trustee agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Trustee's noncompliance. The

procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(g) The Trustee understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of this Twenty-Third Supplemental Indenture, and under applicable law. If, within 30 days after receiving written notice of a breach of this Twenty-Third Supplemental Indenture for violating the MCO, the Trustee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Trustee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(h) The Trustee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(i) The City may conduct random audits of the Trustee. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (iv) limited to one audit of the Trustee every two years for the duration of this Twenty-Third Supplemental Indenture. Nothing in this Twenty-Third Supplemental Indenture is intended to preclude the City from investigating any report of an alleged violation of the MCO.

SECTION 110.10 Requiring Health Benefits for Covered Employees. Unless exempt, the Trustee agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Twenty-Third Supplemental Indenture as though fully set forth. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Twenty-Third Supplemental Indenture shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, the Trustee shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Trustee chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Trustee is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) The Trustee's failure to comply with the HCAO shall constitute a material breach of this Twenty-Third Supplemental Indenture. The City shall notify the Trustee if such a breach

has occurred. If, within 30 days after receiving the City's written notice of a breach of this Twenty-Third Supplemental Indenture for violating the HCAO, the Trustee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Trustee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue the remedies set forth in 12Q.5(f)(1-6) and 12Q.5.1. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(d) Any Subcontract entered into by the Trustee shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Trustee shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. The Trustee shall be responsible for its Subcontractors' compliance with Chapter 12Q. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Trustee based on the Subcontractor's failure to comply, provided that the City has first provided the Trustee with notice and an opportunity to obtain a cure of the violation.

(e) The Trustee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to the Trustee's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) The Trustee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) The Trustee shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on this Twenty-Third Supplemental Indenture.

(h) The Trustee shall keep itself informed of the current requirements of the HCAO.

(i) The Trustee shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) The Trustee shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

(k) The Trustee shall allow the City to inspect the Trustee's job sites and have access to the Trustee's employees in order to monitor and determine compliance with HCAO.

(l) The City may conduct random audits of the Trustee to ascertain its compliance with HCAO. The Trustee agrees to cooperate with the City when it conducts such audits.

(m) If the Trustee is exempt from the HCAO when this Twenty-Third Supplemental Indenture is executed because its fees hereunder are in an amount that is less than \$25,000 (\$50,000 for nonprofits), but the Trustee later enters into an agreement or agreements that cause the Trustee's aggregate amount of all agreements with the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of fees from agreements between the Trustee and the City to be equal to or greater than \$75,000 in the fiscal year.

SECTION 110.11 Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, the Trustee may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Twenty-Third Supplemental Indenture. The Trustee agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Trustee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Twenty-Third Supplemental Indenture, and (ii) prohibit the Trustee from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Trustee's use of profit as a violation of this Section.

SECTION 110.12 Conflict of Interest. Through its execution of this Twenty-Third Supplemental Indenture, the Trustee acknowledges that it is familiar with the provisions of section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provision and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Twenty-Third Supplemental Indenture.

SECTION 110.13 Earned Income Credit (EIC) Forms. Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) The Trustee shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Twenty-Third Supplemental Indenture becomes effective (unless the Trustee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by the Trustee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Twenty-Third Supplemental Indenture.

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by the Trustee of the terms of this Twenty-Third Supplemental Indenture. If, within thirty days after the Trustee receives written notice of such a breach, the Trustee fails to cure such breach or, if such breach cannot reasonably be cured within

such period of thirty days, the Trustee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Twenty-Third Supplemental Indenture or under applicable law.

(c) Any Subcontract entered into by the Trustee shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Twenty-Third Supplemental Indenture shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

SECTION 110.14 Preservative-treated Wood Containing Arsenic. The Trustee may not purchase preservative-treated wood products containing arsenic in the performance of this Twenty-Third Supplemental Indenture unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. The Trustee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Trustee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

SECTION 110.15 Protection of Private Information. The Trustee has read and agrees to the terms set forth in San Francisco Administrative Code sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement," and in Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Trustee agrees that any failure of the Trustee to comply with the requirements of Section 12M.2 of Chapter 12M shall be a material breach of this Twenty-Third Supplemental Indenture. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Twenty-Third Supplemental Indenture, bring a false claim action against the Trustee pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Trustee.

SECTION 110.16 Proprietary or Confidential Information of the City. The Trustee understands and agrees that, in the performance of the work or services under this Twenty-Third Supplemental Indenture or in contemplation thereof, the Trustee may have access to private or confidential information which may be owned or controlled by the City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City. The Trustee agrees that all information disclosed by City to the Trustee shall be held in confidence and used only in the performance of this Twenty-Third Supplemental Indenture. The Trustee shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

SECTION 110.17 Compliance with Laws. The Trustee shall keep itself fully informed of the City’s Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Twenty-Third Supplemental Indenture, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

SECTION 110.18 Works for Hire. If, in connection with services performed under this Twenty-Third Supplemental Indenture, the Trustee or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by the Trustee or its subcontractors under this Twenty-Third Supplemental Indenture are not works for hire under U.S. law, the Trustee hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, the Trustee may retain and use copies of such works for reference and as documentation of its experience and capabilities.

SECTION 110.19 Resource Conservation. Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by the Trustee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of this Twenty-Third Supplemental Indenture.

SECTION 110.20 Public Access to Meetings and Records. If the Trustee receives cumulative total fees per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Trustee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Twenty-Third Supplemental Indenture, the Trustee agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. The Trustee further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Trustee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Twenty-Third Supplemental Indenture. The Trustee further acknowledges that such material breach of this Twenty-Third Supplemental Indenture shall be grounds for the City to terminate and/or not renew the agreement, partially or in its entirety.

SECTION 110.21 Guaranteed Maximum Costs.

(a) The City’s obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

(b) Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Trustee for, commodities or services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

(c) Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

(d) The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

SECTION 110.22 Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

SECTION 110.23 Food Service Waste Reduction Requirements. Effective June 1, 2007, the Trustee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Twenty-Third Supplemental Indenture as though fully set forth. This provision is a material term of this Twenty-Third Supplemental Indenture. By entering into this Twenty-Third Supplemental Indenture, the Trustee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Trustee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Twenty-Third Supplemental Indenture was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of the Trustee's failure to comply with this provision.

SECTION 110.24 Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment

of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

The Trustee shall remove all graffiti from any real property owned or leased by the Trustee in the City and County of San Francisco within forty eight (48) hours of the earlier of the Trustee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require the Trustee to breach any lease or other Twenty-Third Supplemental Indenture that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of the Trustee to comply with this section of this Twenty-Third Supplemental Indenture shall constitute a material breach of this Twenty-Third Supplemental Indenture.

SECTION 110.25 Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

SECTION 110.26 Ownership of Results. Any interest of the Trustee or its Subcontractors in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by the Trustee or its subcontractors in connection with services to be performed under this Twenty-Third Supplemental Indenture shall become the property of and will be transmitted to the City. However, the Trustee may retain and use copies for reference and as documentation of its experience and capabilities.

SECTION 110.27 Audit and Inspection of Records. The Trustee agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Twenty-Third Supplemental Indenture. The Trustee will permit the City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Twenty-Third Supplemental Indenture, whether funded in whole or in part under this Twenty-Third Supplemental Indenture. The Trustee shall

maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under this Twenty-Third Supplemental Indenture or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Twenty-Third Supplemental Indenture shall have the same rights conferred upon the City by this Section.

SECTION 110.28 Subcontracting. The Trustee is prohibited from subcontracting this Twenty-Third Supplemental Indenture or any part of it unless such subcontracting is first approved by the City in writing. Neither party shall, on the basis of this Twenty-Third Supplemental Indenture, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

SECTION 110.29 Assignment. The services to be performed by Trustee are personal in character and neither this Twenty-Third Supplemental Indenture nor any duties or obligations hereunder may be assigned or delegated by the Trustee unless first approved by the City by written instrument executed and approved in the same manner as this Twenty-Third Supplemental Indenture.

SECTION 110.30 Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

SECTION 110.31 City a Third Party Beneficiary. The City is hereby designated as a third party beneficiary for the purpose of enforcing all of the obligations of the Trustee contained in this Article of this Twenty-Third Supplemental Indenture and to the extent that any other rights are given to the City hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Twenty-Third Supplemental Indenture by their officers thereunto duly authorized as of the date and year first written above.

U.S. BANK NATIONAL ASSOCIATION,
as trustee

By: _____
Vice President

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: _____
General Manager

ATTEST:

Secretary of the Public Utilities
Commission of the City and County
of San Francisco

Approved as to form:

Dennis J. Herrera, City Attorney

By: _____
Mark D. Blake, Deputy City Attorney

EXHIBIT AA

FORM OF 2016 SERIES C BOND

\$ _____

No. R- _____

State of California

City and County of San Francisco

**PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO WATER REVENUE BOND
SERIES C BOND (FEDERALLY TAXABLE)**

Dated Date

Interest Rate

Maturity Date

CUSIP No.

October __, 2016

November 1, 20__

Registered Owner: Cede & Co.

Principal Amount: _____ DOLLARS

The PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (herein called the "Commission"), for value received, hereby promises to pay (but only out of the revenues hereinafter referred to) to the registered owner set forth above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for), the principal sum set forth above by check of the Trustee (as defined below) in lawful money of the United States of America, and to pay (but only out of the revenues hereinafter referred to) interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period from the 16th day of the calendar month next preceding any interest payment date to and including such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before April 15, 2017, in which event it shall bear interest from October __, 2016; provided, however, that if, at the time of authentication of any Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding Bonds and shall be payable to the Owners thereof of record as of a special date as shall be established by the Trustee following such default) until payment of such principal sum, at the interest rate per annum stated above, payable on May 1, 2017 and semiannually thereafter on May 1 and November 1 in each year.

The principal (or redemption price) hereof is payable to the registered owner hereof upon the surrender hereof at the corporate trust office of U.S. Bank National Association, in San

Francisco, California, as trustee (herein, together with any successor as trustee under the Indenture, called the “Trustee”), or such other office designated by the Trustee. The interest hereon is payable to the person whose name appears on the bond registration books of the Trustee as the registered owner hereof as of the close of business on the 15th day of the calendar month immediately preceding an interest payment date, whether or not such day is a business day, such interest to be paid, except as otherwise provided in the Indenture, by check mailed to such registered owner at such address as appears on such registration books. Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This Bond is one of a duly authorized issue of revenue bonds of the Commission designated as the “San Francisco Water Revenue Bonds” (herein called the “Bonds”), of the series and designation indicated on the face hereof (herein called the “2016 Series C Bonds”) and is a Current Interest Bond (as such term is defined in the Indenture hereinafter referred to). The Bonds are not limited in aggregate principal amount and consist or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in said Indenture provided, all issued and to be issued under and pursuant to the provisions of the Charter of the City and County of San Francisco and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter (herein collectively called the “Law”), and pursuant to an Amended and Restated Indenture, dated as of August 1, 2002, between the Trustee and the Commission, as supplemented by that certain First Supplemental Indenture, dated as of March 1, 2006, between the Trustee and the Commission, that certain Second Supplemental Indenture, dated as of August 1, 2006, between the Trustee and the Commission, that certain Third Supplemental Indenture, dated as of August 1, 2009, between the Trustee and the Commission, that certain Fourth Supplemental Indenture, dated as of September 1, 2009, between the Trustee and the Commission, that certain Fifth Supplemental Indenture, dated as of June 1, 2010, between the Trustee and the Commission, that certain Sixth Supplemental Indenture, dated as of June 1, 2010, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2010 Sub-Series A and C Bonds, that certain Seventh Supplemental Indenture, dated as of June 1, 2010, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2010 Sub-Series B Bonds, that certain Eighth Supplemental Indenture, dated as of August 1, 2010, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2010 Sub-Series D Bonds, that certain Ninth Supplemental Indenture, dated as of August 1, 2010, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2010 Sub-Series E Bonds, that certain Tenth Supplemental Indenture, dated as of December 1, 2010, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2010 Sub-Series F Bonds, that certain Eleventh Supplemental Indenture, dated as of December 1, 2010, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2010 Sub-Series G Bonds, that certain Twelfth Supplemental Indenture, dated as of August 1, 2011, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2011 Sub-Series A Bonds, that certain Thirteenth Supplemental Indenture, dated as of August 1, 2011, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2011 Sub-Series B Bonds, that certain Fourteenth Supplemental Indenture, dated as of August 1, 2011, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2011 Sub-Series C Bonds and that certain Fifteenth Supplemental Indenture, dated as of August 1, 2011, between the Trustee and the Commission, authorizing the issuance of the Commission’s 2011 Sub-Series D Bonds, that certain Sixteenth Supplemental Indenture,

dated as of June 1, 2012, between the Trustee and the Commission, authorizing the issuance of the Commission's 2012 Sub-Series A Bonds, that certain Seventeenth Supplemental Indenture, dated as of June 1, 2012, between the Trustee and the Commission, authorizing the issuance of the Commission's 2012 Sub-Series B Bonds, that certain Eighteenth Supplemental Indenture, dated as of June 1, 2012, between the Trustee and the Commission, authorizing the issuance of the Commission's 2012 Sub-Series C Bonds, that certain Nineteenth Supplemental Indenture, dated as of August 1, 2012, between the Trustee and the Commission, authorizing the issuance of the Commission's 2012 Series D Bonds, that certain Twentieth Supplemental Indenture, dated as of April 1, 2015, between the Trustee and the Commission, authorizing the issuance of the Commission's 2015 Series A Bonds, that certain Twenty-First Supplemental Indenture, dated as of October 1, 2016, between the Trustee and the Commission, authorizing the issuance of the Commission's 2016 Sub-Series A Bonds, that certain Twenty-Second Supplemental Indenture, dated as of October 1, 2016, between the Trustee and the Commission, authorizing the issuance of the Commission's 2016 Sub-Series B Bonds, and that certain Twenty-Third Supplemental Indenture, dated as of October 1, 2016, between the Trustee and the Commission, authorizing the issuance of the Commission's 2016 Series C Bonds (collectively, with any supplements or amendments thereto, the "Indenture").

Reference is hereby made to the Indenture (a copy of which is on file at the office of the Trustee) and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues (as such term is defined in the Indenture) and the rights thereunder (and limitations thereon) of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Commission thereunder; and all the terms of the Indenture and the Law are hereby incorporated herein and constitute a contract between the Commission and the registered owner of this Bond, and to all the provisions thereof the owner of this Bond, by his acceptance hereof, consents and agrees. Each owner hereof shall have recourse to all of the provisions of the Law and the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds are issued to refinance and finance the reconstruction, replacement, expansion and repair of or improvements to the water facilities of the Enterprise, as more particularly described in the Indenture. The Bonds are special obligations of the Commission and are payable, as to the principal thereof, interest thereon and any premiums upon the redemption of any thereof, from the revenues of the Enterprise (which, as more particularly defined in the Indenture, are therein and herein called the "Revenues"). All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds; but nevertheless out of the Revenues certain amounts may be applied for other purposes prior to the payment of the interest on or principal of the Bonds as provided in the Indenture. Additional Series of Bonds payable from the Revenues may be issued on a parity with the Bonds of this Series, but only subject to the conditions and limitations contained in the Indenture.

The principal of and interest on this Bond are payable solely from the Revenues, and the Commission is not obligated to pay them except from the Revenues. The Commission has no taxing power. The general fund of the City and County of San Francisco is not liable, and the credit or taxing power of the City and County of San Francisco is not pledged, for the payment of the Bonds or their interest. The Bonds are not secured by a legal or equitable pledge of, or

charge, lien or encumbrance upon, any of the property of the Commission or any of its income or receipts, except the Revenues. The owner hereof has no right to compel the exercise of any taxing power of the City and County of San Francisco.

The rights and obligations of the Commission and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture.

The 2016 Series C Bonds shall be subject to redemption prior to their stated maturity, at the option of the Commission, from any source of available funds, as a whole or in part, and if in part by lot within such maturity, on any date on or after May 1, 20___, at a redemption price equal to 100% of the principal amount of the 2016 Series C Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The 2016 Series C Bonds maturing on November 1, ____, November 1, ____ and November 1, ____, and payable from the 2016 Series C Sinking Fund Account, are further subject to redemption prior to their stated maturity, from the 2016 Series C Sinking Fund Account, on any November 1 on or after November 1, ____, November 1, ____ and November 1, ____, respectively, by lot within any such maturity if less than all of the 2016 Series C Bonds of such maturity and tenor be redeemed, upon payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium, in accordance with the schedules shown below.

The 2016 Series C Term Bonds maturing on November 1, ____ are subject to mandatory redemption as follows:

<u>Year</u>	<u>Principal Amount</u>
†	\$

†	Maturity

The 2016 Series C Term Bonds maturing on November 1, ____ are subject to mandatory redemption as follows:

<u>Year</u>	<u>Principal Amount</u>
†	\$

†	Maturity

The 2016 Series C Term Bonds maturing on and November 1, ____ are subject to mandatory redemption as follows:

<u>Year</u>	<u>Principal Amount</u>
†	\$
<hr style="width: 20%; margin: auto;"/> † Maturity	

As provided in the Indenture, notice of redemption shall be mailed, not less than 30 nor more than 60 days prior the redemption date, to the registered owner of this Bond.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The 2016 Series C Bonds are issuable as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof provided that no Bond shall have principal maturing on more than one principal payment date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, 2016 Series C Bonds may be exchanged for a like aggregate principal amount of 2016 Series C Bonds of the same series, tenor and maturity of other authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations and of the same series and tenor, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Commission and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other obligations of the Commission, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed have been signed by the Trustee.

DTC LEGEND

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Commission or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Public Utilities Commission of the City and County of San Francisco has caused this Bond to be executed on its behalf, signed by the manual or facsimile signatures of its General Manager and of the Controller of the City and County of San Francisco and countersigned by the manual or facsimile signature of its Secretary, all as of Dated Date.

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

General Manager of the Commission

Controller of the City and County
of San Francisco

Countersigned:

Secretary of the Commission

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION TO APPEAR ON THE 2016 SERIES C BONDS]

This Bond is one of the Bonds described in the within-mentioned Indenture, which has been authenticated and registered on the date set forth below.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated: Dated Date

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED BY: _____

NOTICE: _____ Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.