
FIRST AMENDED AND RESTATED
ISSUING AND PAYING AGENT AGREEMENT

Dated as of December 1, 2018

by and between

PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY
OF SAN FRANCISCO

and

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

Relating to

\$250,000,000
PUBLIC UTILITIES COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMERCIAL PAPER NOTES
(POWER SERIES)
\$125,000,000 SERIES A-1 (TAX-EXEMPT) AND
\$125,000,000 SERIES A-2 (TAX-EXEMPT)

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.01. Definitions	2
Section 1.02. Interpretation	15
Section 1.03. Agreement to Constitute Contract	15

ARTICLE II

GENERAL AUTHORIZATION AND ISSUANCE; THE COMMERCIAL PAPER NOTES

Section 2.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.....	15
Section 2.02. Payment	16
Section 2.03. Authentication of Commercial Paper Notes.....	17
Section 2.04. Form of Commercial Paper Notes and Authentication Certificate.....	17
Section 2.05. Book-Entry System.....	18
Section 2.06. Conditions Precedent to Delivery of each Series of Commercial Paper Notes	19
Section 2.07. Commercial Paper Notes.....	22
Section 2.08. Mutilated, Lost, Stolen or Destroyed Commercial Paper Notes	22
Section 2.09. Surrender of Commercial Paper Notes	23
Section 2.10. Execution and Authentication of Commercial Paper Notes.....	23
Section 2.11. Temporary Commercial Paper Notes.....	23
Section 2.12. Non-Presentation of Commercial Paper Notes; Unclaimed Money	24
Section 2.13. Money Market Issuance System.....	24

ARTICLE III

FUNDS AND ACCOUNTS; APPLICATION OF NOTE PROCEEDS

Section 3.01. Establishment and Designation of Funds and Accounts	25
Section 3.02. Deposit of Proceeds of Commercial Paper Notes.....	25
Section 3.03. Application of Moneys in Construction Fund	25
Section 3.04. Deposits Into and Uses of the Debt Service Account and the Bank Payment Account	26
Section 3.05. Drawings under each Letter of Credit.....	26
Section 3.06. Investments Authorized.....	27
Section 3.07. Moneys Remaining in Funds and Accounts.....	27

ARTICLE IV

THE BANK NOTES

Section 4.01. Authorization and Terms of Bank Notes.....	27
--	----

TABLE OF CONTENTS

(continued)

Page

Section 4.02.	Issuance of Bank Notes	28
Section 4.03.	Form of Bank Notes and Authentication Certificate	28
Section 4.04.	Transfers of Bank Notes.....	29
Section 4.05.	Deposits of Available Power Enterprise Revenues in Bank Note Account	29

ARTICLE V

COVENANTS; REPRESENTATIONS

Section 5.01.	No Arbitrage	29
Section 5.02.	Rebate to United States	29
Section 5.03.	Tax Covenant.....	30
Section 5.04.	[Reserved].....	30
Section 5.05.	Letter of Credit	30
Section 5.06.	Amounts of Rates and Charges.....	31
Section 5.07.	Limitation on Additional Debt	31
Section 5.08.	Financial Statements	31

ARTICLE VI

PLEDGE OF AVAILABLE REVENUES; LIMITED LIABILITY OF THE COMMISSION

Section 6.01.	Available Power Enterprise Revenues	31
Section 6.02.	Limited Obligations	32

ARTICLE VII

ISSUING AND PAYING AGENT; DEALER

Section 7.01.	Appointment of Issuing and Paying Agent	32
Section 7.02.	Reports, Records and Accounts.....	33
Section 7.03.	Duties	33
Section 7.04.	Compensation	34
Section 7.05.	Liability	34
Section 7.06.	Additional Information.....	35
Section 7.07.	Resignation and Replacement of Issuing and Paying Agent.....	35
Section 7.08.	Dealers.....	35
Section 7.09.	Compliance with City Requirements	36

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF COMMERCIAL PAPER NOTEHOLDERS

Section 8.01.	Events of Default	36
Section 8.02.	Suits at Law or in Equity and Mandamus	37
Section 8.03.	Remedies Not Exclusive	37

TABLE OF CONTENTS

(continued)

Page

Section 8.04. Banks to Control Remedies	37
Section 8.05. Waiver of Events of Default	37

ARTICLE IX

MISCELLANEOUS

Section 9.01. Supplemental Agreements	38
Section 9.02. Alternate Facility	38
Section 9.03. Amendments to Power Bonds Indenture	39
Section 9.04. Timeliness of Deposits	39
Section 9.05. Defeasance of Commercial Paper Notes	39
Section 9.06. Payments or Actions Occurring on Non-Business Days	40
Section 9.07. Notices to Rating Agencies	40
Section 9.08. Issuance Requests; Addresses	40
Section 9.09. Reserved.	42
Section 9.10. Governing Law	42
Section 9.11. Assignment; Issuing and Paying Agent's Successor in Interest	42
Section 9.12. Complete Agreement	42
Section 9.13. Counterparts	43
Section 9.14. Section Headings	43
Section 9.15. Waiver of Set-Off, Offset Lien or Counterclaims	43
Section 9.16. Benefit of Agreement	43
Section 9.17. Covenant of Further Assurances	43
Section 9.18. Waiver of Personal Liability	43
Section 9.19. Acquisition of the Commercial Paper Notes by the Commission	43
Section 9.20. Notice by Mail	43
Section 9.21. Partial Invalidity	43
Section 9.22. Reference to the Bank	44
Section 9.23. City Requirements	44

EXHIBITS

Exhibit A - Form of Series A-1 and Series A-2 Master Note	A-1
Exhibit B - Certificate of Designated Representatives	C-1
Exhibit C - Form of Issuance Request	D-1
Exhibit D - Schedule of Fees and Expenses for Issuing and Paying Agent Services	E-1
Exhibit E - City Requirements	F-1

FIRST AMENDED AND RESTATED
ISSUING AND PAYING AGENT AGREEMENT

W I T N E S S E T H

This First Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”) is dated as of December 1, 2018, by and between the Public Utilities Commission of the City and County of San Francisco (the “Commission”), organized and existing under the Charter (as defined herein) of the City and County of San Francisco (the “City”) and U.S. Bank National Association, as issuing and paying agent (the “Issuing and Paying Agent”);

WHEREAS, on June 5, 2018, the voters of the City approved Proposition A, which among other things, authorized the Commission to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the “Board”), for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities under the jurisdiction of this Commission (the “Power Enterprise,” as further defined herein); and

WHEREAS, pursuant to Article V of Section 43 of the San Francisco Administrative Code, enacted by Ordinance No. 203-98, adopted by the Board on June 8, 1998, and signed by the Mayor of the City on June 19, 1998, as amended by Ordinance No. 270-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006 (as amended, the “Procedural Ordinance”), the Board established a procedure pursuant to which the Commission may issue short-term indebtedness, including commercial paper notes in anticipation of the issuance of its revenue bonds; and

WHEREAS, as of December 1, 2018, \$39,555,000 aggregate principal amount of power revenue bonds have been issued pursuant to Sections 9.107(6) and 9.107(8) of the Charter of the City (the “Charter”), Ordinance No. 40-15, adopted by the Board on March 24, 2015, and signed by the Mayor on April 2, 2015, Ordinance No. 41-15, adopted by the Board on March 24, 2015, and signed by the Mayor on April 2, 2015, and Resolution No. 14-0197, adopted by the Commission on December 9, 2014; and

WHEREAS, the Commission has authorized, pursuant to Resolution No. 15-0183, adopted by the Commission on September 8, 2015, and the Board has approved, pursuant to Resolution No. 427-15, adopted by the Board on November 17, 2015, and signed by the Mayor on November 25, 2015, the establishment of a commercial paper program (the “Power CP Program”) for the City’s Power Enterprise; and

WHEREAS, the Commission has authorized, pursuant to Resolution No. [____], adopted by the Commission on [____], 2018, and the Board has approved, pursuant to Ordinance No. [____], adopted by the Board on [____], 2018, and signed by the Mayor on [____], 2018, the issuance of up to \$250,000,000 in principal amount of commercial paper notes payable from Available Power Enterprise Revenues on parity with certain Parity Notes (as defined herein); and

WHEREAS, in order to provide credit enhancement to support the payment of a portion of the maturing commercial paper notes, the Commission has determined to authorize (i) a letter

of credit, in the initial stated amount of \$[____], to be issued by Bank of America, N.A. (“Bank of America”) pursuant to the terms of the Series A-1 Reimbursement Agreement (as defined herein), and (ii) a letter of credit, in the initial stated amount of \$[____], to be issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“SMBC”), pursuant to the terms of the Series A-2 Reimbursement Agreement (as defined herein); and

WHEREAS, pursuant to Resolution No. [____], the General Manager of the Commission is authorized to execute (i) the First Amendment to Reimbursement Agreement, dated December [__], 2018, amending the Reimbursement Agreement, dated December 17, 2015 (together, the “Series A-1 Reimbursement Agreement”), each by and between the Commission and Bank of America, relating to the \$125,000,000 Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-1, and (ii) the Reimbursement Agreement, dated as of December 1, 2018 (the “Series A-2 Reimbursement Agreement”, by and between the Commission and SMBC, relating to the \$125,000,000 Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-2; and

WHEREAS, in order to accommodate the terms of the letters of credit, provided by Bank of America and SMBC, the Commission has authorized the execution of this Agreement; and

WHEREAS, the Commission is authorized to issue, sell and deliver bonds, additional bonds, refunding bonds and other evidences of indebtedness in order to effect its purposes pursuant to the Ordinances and the Resolution (each as defined herein), including the financing and refinancing of any Drawings (as defined herein); and

WHEREAS, the aggregate principal amount of Commercial Paper Notes outstanding under this Agreement at any time shall not exceed the principal amount authorized to be outstanding by the Commission and the Board;

NOW, THEREFORE, in consideration of the premises and in order to induce the Issuing and Paying Agent to enter into this Agreement, the Issuing and Paying Agent and the Commission agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Except as otherwise defined in this Agreement (including the preambles), capitalized terms herein shall have the meanings assigned thereto in this Section 1.01 and in the Power Bonds Indenture. The following definitions shall apply to terms used in this Agreement, unless the context clearly requires otherwise:

“Acceleration Notice” shall have the meaning assigned to that term in the applicable Reimbursement Agreement.

“Advance” means an Advance or a Term Loan, as such terms are defined in the applicable Reimbursement Agreement.

“Agreement” means this First Amended and Restated Issuing and Paying Agent Agreement, as it may from time to time be supplemented, modified or amended in accordance with the provisions hereof.

“Alternate Facility” means a letter of credit or another credit or liquidity facility enabling the Commission to borrow the principal amount of, and interest on, the Commercial Paper Notes, as applicable, which may be outstanding under this Agreement.

“Authenticating Agent” means, with respect to the Commercial Paper Notes, the Issuing and Paying Agent or each person or entity, if any, designated as such by the Commission, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Available Moneys” means moneys which are continuously on deposit with the Issuing and Paying Agent in trust for the benefit of the holders of the Commercial Paper Notes in a separate and segregated account in which only Available Moneys are held, which moneys constitute proceeds of (i) the Commercial Paper Notes received contemporaneously with the initial issuance and sale of the Commercial Paper Notes, (ii) a Drawing under a Letter of Credit or payments otherwise made under an Alternate Facility, (iii) refunding obligations for which the Issuing and Paying Agent has received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Issuing and Paying Agent and the Rating Agencies to the effect that payment of such moneys to the holders of the Commercial Paper Notes would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code if the Commission were to become a debtor under the United States Bankruptcy Code or (iv) the investment of funds qualifying as Available Moneys under the foregoing clauses.

“Available Power Enterprise Revenues” means all of the moneys in the Revenue Fund (as defined in the Power Bonds Indenture and comprised primarily of Power Enterprise Revenues and earnings thereon) remaining after the payments required by Subsections 5.5(c)-(e) of the Power Bonds Indenture, and all other amounts payable on a parity with amounts paid under Section 5.1(f) of the Power Bonds Indenture pursuant to the terms thereof.

“Bank Note Debt Service Account” means the Bank Note Debt Service Account established within the Debt Service Fund pursuant to Section 3.01(b) hereof.

“Bank Note Payment Date” means a date on which principal of or interest on a Bank Note is due and payable in accordance with the applicable Reimbursement Agreement, including both scheduled principal and interest and principal and interest payable upon prepayment of a Bank Note.

“Bank Notes” mean the Series A-1 Bank Note and the Series A-2 Bank Note, with any subsequent Bank Notes substituting the appropriate Bank name in the designation.

“Bank Payment Account” means the Bank Payment Account established within the Debt Service Fund pursuant to Section 3.01(b) hereof.

“Bank Rate” shall have the meaning assigned to that term in the applicable Reimbursement Agreement.

“Banks” means the Series A-1 Bank, the Series A-2 Bank, and any other entity or entities providing an Alternate Facility for a Series of Commercial Paper Notes then outstanding and effective hereunder.

“Board” means the Board of Supervisors of the City.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP, or such other counsel selected by the City with nationally recognized expertise in municipal finance law, including matters related to the validity and tax-exempt status of interest on obligations of states and their political subdivisions.

“Business Day” means any day other than (i) Saturday or Sunday, (ii) day on which banks located in the cities in which the designated office of the Issuing and Paying Agent or the Banks (initially, Scranton, Pennsylvania, and New York, New York) is located are required or authorized to close, or (iii) a day on which the New York Stock Exchange is required or authorized to close, or (iv) a legal holiday of the City or any other day the City is authorized by law to be closed for official business.

“Charter” means the Charter of the City and County of San Francisco, as amended and supplemented from time to time, and any new or successor Charter.

“City” means the City and County of San Francisco, a charter city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California and the Charter and any public body hereafter created which shall be a successor thereto.

“City Treasurer” means the duly elected and acting City Treasurer of the City.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“Commercial Paper Notes” means the Series A-1 Notes and the Series A-2 Notes, as applicable.

“Commission” means the Public Utilities Commission of the City and County of San Francisco duly constituted under the Charter, and all commissions, agencies or public bodies hereafter created which shall succeed to or take over the powers and duties of the Commission.

“Construction Fund” means the Fund by that name established pursuant to Section 3.01(a) hereof.

“Controller” means the duly appointed and acting Controller of the City and includes any deputy acting for the Controller.

“Cost” shall mean, with respect to any Power Enterprise Projects, all costs and expenses of planning, designing, acquiring, constructing, installing and financing any Power Enterprise Projects, and obtaining governmental approvals, certificates, permits and licenses with respect thereto. The term Cost shall include, but shall not be limited to:

(i) Costs of preliminary investigation and development, the performance or acquisition of feasibility and planning studies, and the securing of regulatory approvals, as well as costs for the acquisition of land and interest therein, engineering and contractors' fees, labor, materials, equipment, utility services and supplies, legal fees, fees incurred pursuant to any lending or credit facility or agreement, and financing expenses.

(ii) Interest accruing in whole or in part on Commercial Paper Notes prior to and during the acquisition and implementation of any Power Enterprise Projects or any portion thereof, and for such additional period as the Commission may approve.

(iii) The deposit or deposits from the proceeds of the Commercial Paper Notes in any fund or account required by this Agreement.

(iv) The payment of principal and interest, if any, when due of any Commercial Paper Note or other evidence of indebtedness the proceeds of which were applied to any of the costs of any Power Enterprise Projects described herein.

(v) Training and testing costs which are properly allocable to the acquisition, and implementation of any Power Enterprise Projects or any portion thereof.

(vi) All costs of insurance applicable to the period of acquisition and implementation of any Power Enterprise Projects or any portion thereof.

(vii) All costs relating to injury and damage claims arising out of the acquisition or implementation of any Power Enterprise Projects less available proceeds of insurance.

(viii) Legally required or permitted federal, state and local taxes and payments in lieu of taxes allocable for the acquisition or implementation of any Power Enterprise Projects.

(ix) All costs of issuance for the Commercial Paper Notes, including the costs of the applicable Reimbursement Agreement or the Dealer Agreements.

(x) Amounts due the United States of America as rebate of investment earnings with respect to the proceeds of the Commercial Paper Notes or as penalties in lieu thereof.

(xi) The costs associated with the removal from service or reduction in service of any facilities as a result of the implementation of any Power Enterprise Projects.

(vii) All other costs incurred by the Commission and properly allocable to the acquisition or implementation of any Power Enterprise Projects or any portion thereof.

“Dealer” means the dealer or dealers selected from time to time by the Commission to market for the Commercial Paper Notes pursuant to the terms of any applicable Dealer Agreement and any successors or assigns thereto.

“Dealer Agreement” means each Dealer Agreement with a Dealer, and any and all modifications, alterations, amendments and supplements thereto, or any other dealer agreement entered into by the Commission and a Dealer with respect to the Commercial Paper Notes.

“Debt Service Account” means the Debt Service Account established within the Debt Service Fund pursuant to Section 3.01(b) hereof.

“Debt Service Fund” means the Fund by that name established pursuant to Section 3.01(b) hereof.

“Designated Representatives” means the General Manager and those additional individuals designated by the General Manager to complete and deliver Issuance Requests and who have been identified and whose signatures have been certified in a certificate of a Designated Representative of the Commission, the form of which is attached hereto as Exhibit B delivered to the Issuing and Paying Agent.

“Director of Public Finance” means the Director of Public Finance of the City or such other officer of the City which may assume responsibility for management of the debt or other similar obligations of the City or any duly authorized designee of the Director of Public Finance or such other officer.

“Drawing” means any Principal Drawing or any Interest Drawing under the applicable Letter of Credit.

“DTC” means The Depository Trust Company, New York, New York.

“Event of Default” means an Event of Default described in Section 8.01 hereof.

“Expiration Date” means the date of expiration or termination of the applicable Letter of Credit or any Alternate Facility then in effect.

“Final Drawing Notice” shall have the meaning assigned to that term in the applicable Reimbursement Agreement.

“Fiscal Year” means the twelve (12) month period commencing on July 1 of each year and ending on the following June 30 or any other period of twelve (12) consecutive months adopted by the Commission as its fiscal year.

“Government Certificates” means evidences of indebtedness or ownership of proportionate interests in future principal and interest payments of Government Obligations, including depository receipts thereof, wherein (i) a bank or trust company acts as custodian and holds the underlying Government Obligations; (ii) the owner of the Government Certificate is a real party in interest with the right to proceed directly and individually against the obligor of the underlying Government Obligations; and (iii) the underlying Government Obligations are held in trust in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian or any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Government Obligations” mean direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or evidence of ownership in a portion thereof (which may consist of specified portions of interest thereon and obligations of the Resolution Funding Corporation which constitute interest strips) if held by a custodian on behalf of the Issuing and Paying Agent, obligations the principal and interest on which are unconditionally guaranteed by the United States of America, and prerefunded municipal obligations rated in the highest rating category by Moody’s and S&P.

“Hetch Hetchy Project” means the Hetch Hetchy Water and Power Project, including the O’Shaughnessy Dam, the Hetch Hetchy Reservoir, the Canyon and Mountain Tunnels, the Kirkwood, Moccasin and Holms Powerhouses, Cherry Lake and its dam, Lake Eleanor and its dam, the related water storage and transportation and hydro-electric generating facilities down to and including the Moccasin Powerhouse, all located in Yosemite National Park, Stanislaus National Forest and Tuolumne County, the rights to which were granted to the City by the Raker Act of 1913, and the related transmission facilities down to the City of Newark.

“Holder” or “Commercial Paper Noteholder” means any person who is in possession of any Commercial Paper Note drawn, issued or endorsed to such person or to the order of such person or to bearer or in blank in the case of a Commercial Paper Note in bearer form or the registered owner of a Commercial Paper Note in the case of a Commercial Paper Note in registered form.

“Interest Drawing” means a drawing to pay interest on the Commercial Paper Notes under the Letter of Credit in accordance with the Letter of Credit.

“Interest Portion” means, with respect to a Series of Commercial Paper Notes, the portion of the applicable Letter of Credit, in the maximum amount of \$[_____] for the Series A-1 Notes, and in the maximum amount of \$[_____] for the Series A-2 Notes, used to pay interest on such Series of Commercial Paper Notes.

“Issuance Request” means a request made by the Commission, acting through a Designated Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes, the form of which is attached hereto as Exhibit C. The Controller of the City and County of San Francisco shall, throughout the term of this Issuing and Paying Agent Agreement, be authorized to submit Issuance Requests to the Issuing and Paying Agent notwithstanding any provision hereof, or future amendment hereof, to the contrary.

“Issuing and Paying Agent” means U.S. Bank National Association, or any successor or assigns permitted under this Agreement or any other Issuing and Paying Agent which is appointed by the Commission and has entered into an Issuing and Paying Agent Agreement.

“Issuing and Paying Agent Agreement” means this First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018, between the Commission and the Issuing and Paying Agent, and any and all modifications, alterations, amendments and supplements thereto.

“Letter of Credit” means the Series A-1 Letter of Credit or the Series A-2 Letter of Credit, as applicable.

“Maximum Interest Rate” means the lesser of (a) maximum non-usurious interest rate that may, under applicable federal law and applicable state law, be contracted for, charged or received under such laws and (b) 12% per annum.

“Mayor” means the Mayor of the City.

“No-Issuance Notice” shall have the meaning assigned thereto in the applicable Reimbursement Agreement.

“Nominee” means the nominee of the Note Depository as determined from time to time in accordance with Section 2.05 hereof.

“Note Depository” means the securities depository for the Commercial Paper Notes appointed as such pursuant to Section 2.05 hereof, and its successors and assigns.

“Note Proceeds” means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

“Ordinances” means the Procedural Ordinance, Ordinance No. 104-14, adopted by the Board on June 24, 2015, and signed by the Mayor on July 2, 2015, Ordinance No. 106-14, adopted on by the Board on June 24, 2014, and signed by the Mayor on July 2, 2014, Ordinance No. 40-15, adopted by the Board on March 24, 2015, and signed by the Mayor on April 2, 2015, Ordinance No. 41-15, adopted by the Board on March 24, 2015, and signed by the Mayor on April 2, 2015, Resolution No. 427-15, adopted by the Board on November 17, 2015, and signed by the Mayor on November 25, 2015, and Ordinance No. [____], adopted by the Board on [____], 2018, and signed by the Mayor on [____], 2018.

“Outstanding” when used as of a particular time with reference to Commercial Paper Notes, means all Commercial Paper Notes delivered hereunder except:

- (a) Commercial Paper Notes cancelled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation;
- (b) Commercial Paper Notes that are paid or deemed to be paid within the meaning of Section 9.05 hereof; and
- (c) Commercial Paper Notes in lieu of or in substitution for which replacement Commercial Paper Notes shall have been issued by the Commission and delivered by the Issuing and Paying Agent hereunder.

“Parity Notes” means (i) the clean renewable energy bonds issued in November 2008 in the original aggregate principal amount \$6,325,000; (ii) the taxable qualified energy conservation bonds issued in October 2011 in the original aggregate principal amount \$8,291,000; (iii) the taxable new clean renewable energy bonds issued in April 2012 in the original aggregate principal amount \$6,600,000; (iv) the new clean renewable energy bonds issued in October 2015 in the original aggregate principal amount of \$4,100,000; and (v) commercial paper notes or other short-

term indebtedness payable from or secured by Available Power Enterprise Revenues on parity with the Commercial Paper Notes.

“Paying Agent” means, with respect to the Commercial Paper Notes, the Issuing and Paying Agent or each person or entity, if any, designated as such by the Commission herein, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Power Bonds” means all bonds, notes, or other obligations or securities of the Commission issued pursuant to or in compliance with the provisions of the Power Bonds Indenture secured by a pledge and lien on Power Enterprise Revenues on a basis senior to the Commercial Paper Notes.

“Power Bonds Indenture” means that certain Trust Indenture, dated as of May 1, 2015, by and between the Commission and U.S. Bank National Association, as trustee thereunder, as supplemented by the First Supplemental Trust Indenture, dated as of May 1, 2015, providing for the issuance from time to time of Power Bonds and other obligations as provided therein, and as the same may be subsequently supplemented, amended and modified from time to time.

“Power Enterprise” means the Commission’s Power Enterprise established and existing as of the date of this Agreement to provide electric power and related services to the City and its departments, agencies and commissions as well as other customers both in and outside of the City, including that portion of the Hetch Hetchy Project used for power generation, and all other power generation, transmission and distribution facilities and related facilities, streetlights, property and rights constituting a part of the Power Enterprise, together with any and all additions, improvements, betterments, renewals, replacements and repairs thereto and extensions thereof, but shall not include: (a) the Water Enterprise, (b) the Wastewater Enterprise, or (c) any Separate System.

“Power Enterprise Projects” means any undertaking, facility or item which is authorized under the Ordinances, or under any future ordinance or resolution of the City, and described in a Tax Certificate, which has been determined by the Commission to be financed or refinanced in whole or in part with the proceeds of the Commercial Paper Notes.

“Power Enterprise Revenues” shall have the meaning ascribed to the term “Net Revenues” in the Power Bonds Indenture.

“Principal Drawing” means, with respect to a Series of Commercial Paper Notes, a drawing to pay the principal of such Commercial Paper Notes under the applicable Letter of Credit in accordance with such Letter of Credit.

“Principal Office” means the office of the Issuing and Paying Agent thereof designated in writing to the Commission.

“Principal Portion” means, with respect to a Series of Commercial Paper Notes, the portion of the applicable Letter of Credit available to pay principal of such Series of Commercial Paper Notes.

“Procedural Ordinance” means Ordinance No. 203-98, enacting Article V of Chapter 43 of the San Francisco Administrative Code, adopted by the Board on June 8, 1998, and signed by the Mayor on June 19, 1998, as amended by Ordinance No. 270-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006, to establish a procedure pursuant to which the Commission may issue or incur commercial paper or other short-term indebtedness, as the same may be amended from time to time.

“Qualified Investments” mean, if and to the extent permitted by law and by any policy guidelines promulgated by the City:

- (a) Government Obligations or Government Certificates;
- (b) Certificates, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
 - (i) Farmers Home Administration (FmHA) - Certificates of beneficial ownership;
 - (ii) Federal Housing Administration Debentures (FHA);
 - (iii) General Services Administration - Participation certificates;
 - (iv) Government National Mortgage Association (GNMA or “Ginnie Mae”) - guaranteed mortgage backed bonds and GNMA guaranteed pass-through obligations (participation certificates);
 - (v) U.S. Maritime Administration - Guaranteed Title XI financing;
 - (vi) U.S. Department of Housing and Urban Development (HUD) - Project notes and local authority bonds; and
 - (vii) Any other agency or instrumentality of the United States of America;
- (c) Certificates, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States of America government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
 - (i) Federal Home Loan Bank System - Senior debt obligations (consolidated debt obligations);
 - (ii) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”) - Participation certificates (mortgage-backed securities) and senior debt obligations;

- (iii) Federal National Mortgage Association (FNMA or “Fannie Mae”) - mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities which are valued greater than par on the portion of the unpaid principal);
 - (iv) Student Loan Marketing Association (SLMA or “Sallie Mae”) - Senior debt obligations;
 - (v) Resolution Funding Corp. (REFCORP) - Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;
 - (vi) Federal Farm Credit System - Consolidated systemwide bonds and notes; and
 - (vii) Any other agency or instrumentality of the United States of America;
- (d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of “AAAm-G” or “AAAm” and by Moody’s of “Aaa”;
- (e) Certificates of deposit issued by a state or national bank or a state or federal savings and loan; *provided* that such certificates of deposit shall be either (i) continuously and fully insured by the FDIC; or (ii) have a maturity of not greater than 365 days and have the highest short-term letter and numerical ratings of Moody’s and S&P;
- (f) Savings accounts or money market deposits that are fully insured by FDIC;
- (g) Investment Agreements, including guaranteed investment contracts, *provided* either (i) the long-term unsecured debt or claims ability of the issuer or guarantor thereof is rated in the highest rating category by Moody’s and S&P, or (ii) such agreement is fully collateralized by Government Obligations or Government Certificates;
- (h) Commercial paper of “prime” quality rated in the highest rating category by Moody’s and S&P, which commercial paper is limited to issuing corporations that are organized and operating within the United States;
- (i) Certificates or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest long-term rating categories assigned by such agencies;
- (j) Federal funds or banker’s acceptances which are eligible for purchases by members of the Federal Reserve System, drawn on any bank the short-term obligations of which are rated in the highest rating category by Moody’s and S&P; *provided* that the maturity cannot exceed 270 days;

(k) Repurchase agreements with maturities of either (a) 30 days or less, or (b) less than one year, *provided* that the collateral is marked-to-market daily, entered into with financial institutions such as banks or trust companies organized under state or federal law, insurance companies, or government bond dealers reporting to, or trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of SPIC, or with a dealer or parent holding company that is rated “A” or better by S&P or “P-1” or better by Moody’s. The repurchase agreement must be in respect of Government Obligations or Government Certificates or obligations described in paragraph (b) herein, which, exclusive of accrued interest, shall be maintained at least 100% of par. In addition, repurchase agreements shall meet the following criteria: (i) the third party (who shall not be the provider of the collateral) has possession of the repurchase securities and the Government Obligations or Government Certificates; (ii) failure to maintain the requisite collateral levels shall require liquidation; and (iii) the third party having possession of the securities has a perfected, first priority security interest in the securities; and

(l) Any other debt or fixed income security specified by the City (except securities of the City and any agency, department, commission or instrumentality thereof) and rated in the highest rating category by Moody’s and S&P, including prerefunded municipal obligations.

“Rating Agencies” means Fitch, Moody’s or S&P, or such other rating agency designated by the Commission, and approved by the Bank (which approval shall not be unreasonably withheld), maintaining a rating on the Commercial Paper Notes. For purposes of this definition: the term “Fitch” means Fitch Ratings, and its successors and assigns, or if such organization no longer maintains a rating on the Commercial Paper Notes, any other rating agency designated by the Commission, with the approval of the Bank (which approval shall not be unreasonably withheld); “Moody’s” means Moody’s Investor’s Service, and its successors and assigns, or if such organization no longer maintains a rating on the Commercial Paper Notes, any other rating agency designated by the Commission, with the approval of the Bank (which approval shall not be unreasonably withheld); and the term “S&P” means Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, or if such organization no longer maintains a rating on the Commercial Paper Notes, any other rating agency designated by the Commission, with the approval of the Bank (which approval shall not be unreasonably withheld).

“Ratings” means any rating by a Rating Agency assigned to a Power Bond.

“Rebate Fund” means the Fund by that name established pursuant to Section 5.02 hereof.

“Registrar” means, with respect to the Commercial Paper Notes, the Issuing and Paying Agent or such other additional person or entity, if any, designated as such by the Commission herein authorizing the issuance of the Commercial Paper Notes, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant thereto.

“Reimbursement Agreement” means the Series A-1 Reimbursement Agreement or the Series A-2 Reimbursement Agreement, as applicable.

“Resolutions” means Resolution No. 15-0183, adopted by the Commission on September 8, 2015, and Resolution No. [____], adopted by the Commission on [____], 2018.

“Separate System” means any electric power or energy generation, transmission, distribution or other facilities, property and rights that may be hereafter purchased, constructed or otherwise acquired by the Commission where the revenues derived from the ownership and operation of which shall be pledged to the payment of bonds or other obligations for borrowed money issued or incurred to purchase, construct or otherwise acquire such facilities, property and rights and shall not be included in Revenues and the operation and maintenance expenses with respect to which shall not be included in Operation and Maintenance Expenses (as defined in the Power Bonds Indenture).

“Series” means, whenever used herein with respect to the Commercial Paper Notes, all of the Commercial Paper Notes designated as being of the same series.

“Series A-1 Bank” means the issuer of the Series A-1 Letter of Credit or any Alternate Facility enabling the Commission to borrow the principal amount of, and interest on, the Series A-1 Notes. Initially, Series A-1 Bank means Bank of America, N.A., as issuer of the Series A-1 Letter of Credit.

“Series A-1 Bank Note” means a note or notes issued by the Commission pursuant to Section 4.01 hereof and evidencing all or any portion of any Unpaid Drawing and Advances made by the Series A-1 Bank. Series A-1 Bank Notes payable from Available Power Enterprise Revenues shall be designated as “San Francisco Public Utilities Commission Bank Notes (Power Series) Series A-1”.

“Series A-1 Letter of Credit” means an irrevocable direct pay letter of credit issued pursuant to the Series A-1 Reimbursement Agreement for the account of the Commission in favor of the Issuing and Paying Agent, as beneficiary, and any Alternate Facility supporting the Series A-1 Notes accepted by the Issuing and Paying Agent as provided in Section 9.02 hereof.

“Series A-1 Notes” means the Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-1, in the form set forth in Exhibit A hereto.

“Series A-1 Reimbursement Agreement” means initially the Reimbursement Agreement, dated December 17, 2015, as amended by the First Amendment to Reimbursement Agreement, dated December [___], 2018, as further amended, supplemented, modified and restated from time to time, in accordance with the provisions thereof, together with the Fee Agreement, dated December [___], 2018, between the Commission and Bank of America, as amended, supplemented, modified and restated from time to time, and any similar document entered into with respect to an Alternate Facility supporting the Series A-1 Notes.

“Series A-2 Bank” means the issuer of the Series A-2 Letter of Credit or any Alternate Facility enabling the Commission to borrow the principal amount of, and interest on, the Series A-2 Notes. Initially, Series A-2 Bank means Sumitomo Mitsui Banking Corporation, acting through its New York Branch, as issuer of the Series A-2 Letter of Credit.

“Series A-2 Bank Note” means a note or notes issued by the Commission pursuant to Section 4.01 hereof and evidencing all or any portion of any Unpaid Drawing and Advances made by the Series A-2 Bank. Series A-2 Bank Notes payable from Available Power Enterprise Revenues shall be designated as “San Francisco Public Utilities Commission Bank Notes (Power Series) Series A-2”.

“Series A-2 Letter of Credit” means an irrevocable direct pay letter of credit issued pursuant to the Series A-2 Reimbursement Agreement for the account of the Commission in favor of the Issuing and Paying Agent, as beneficiary, and any Alternate Facility supporting the Series A-2 Notes accepted by the Issuing and Paying Agent as provided in Section 9.02 hereof.

“Series A-2 Notes” means the Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-2, in the form set forth in Exhibit A hereto.

“Series A-2 Reimbursement Agreement” means initially the Reimbursement Agreement, dated December [___], 2018, as amended, supplemented, modified and restated from time to time, in accordance with the provisions thereof, together with the Fee Agreement, dated December [___], 2018, between the Commission and SMBC, as amended, supplemented, modified and restated from time to time, and any similar document entered into with respect to an Alternate Facility supporting the Series A-2 Notes.

“Stated Amount” means the Stated Amount as defined and set forth in the applicable Letter of Credit.

“Supplemental Agreement” means any Supplemental Agreement authorized by Section 9.01 hereof.

“Tax Certificate” means the Tax Certificate, dated as of its date concerning certain matters pertaining to the use and investment of proceeds of the Commercial Paper Notes, executed by the Commission on the date of issuance of the Commercial Paper Notes, including any and all exhibits attached thereto.

“Termination Date” means the stated termination date established pursuant to the applicable Letter of Credit.

“Unpaid Drawing” means a Drawing on a Letter of Credit for which the applicable Bank has not been reimbursed by the Commission in accordance with the applicable Reimbursement Agreement.

“Wastewater Enterprise” means the municipal sanitary waste and storm water collection, treatment and disposal system, as located partially within and partially without the City, and all additions, betterments, and extensions to said sanitary waste and storm water system.

“Water Enterprise” means the municipal water supply, storage and distribution system of the Commission, as located partially within and partially without the City, including all of the presently existing municipal water system of the City, and all additions, betterments, and

extensions to said water system, but excluding any water supply, storage or distribution facilities which constitute part of the Hetch Hetchy Project.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” refer to this entire Agreement.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Section 1.03. Agreement to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Commercial Paper Notes by those who shall own the same from time to time, the provisions of this Agreement shall be part of the contract of the Commission with Holders of the Commercial Paper Notes, and shall be deemed to be and shall constitute contracts between the Commission, the Issuing and Paying Agent and the Holders from time to time of the Commercial Paper Notes.

ARTICLE II

GENERAL AUTHORIZATION AND ISSUANCE; THE COMMERCIAL PAPER NOTES

Section 2.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.

(a) No Commercial Paper Notes may be issued under the provisions of this Agreement except in accordance with this Article II.

(b) The Commission hereby authorizes the issuance of its “Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-1” and its “Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-2” in order to provide interim financing for the Cost of any Power Enterprise Projects, subject to the provisions of this Section 2.01 and as hereinafter provided. The authorization hereunder specifically includes the authorization to issue and reissue Commercial Paper Notes for the purposes contemplated herein. The aggregate principal amount of a Series of Commercial Paper Notes that may be Outstanding at any one time hereunder shall not at any time exceed the lesser of (a) the maximum principal amount of such Series of Commercial Paper Notes authorized by the Commission to be issued, as evidenced by a Certificate of a Designated Representative, or (b) the Principal Portion then available under the applicable Letter of Credit. At no time shall the aggregate amount of interest payable on an Outstanding Series of Commercial Paper Notes exceed the Interest Portion then available under the applicable Letter of Credit.

(c) Each Series of Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer or registered form, as shall be determined by the General Manager of the Commission, shall be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof; and interest on such Series of Commercial Paper Notes shall be separately stated by rate and amount on the issuance request in the form of Exhibit C hereto. Each Series of Commercial Paper Notes shall bear interest from their respective dates, payable on their respective maturity dates.

(d) Each Series of Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable), which shall not in any event exceed the Maximum Interest Rate (ii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Business Day immediately preceding the applicable Termination Date, and (iii) shall be sold by a Dealer pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this Agreement, shall be as set forth in the Issuance Request required by Section 2.06 hereof directing the issuance of such Commercial Paper Note.

(e) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(f) Each Series of Commercial Paper Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

Section 2.02. Payment. For each Series of Commercial Paper Notes, the Commission covenants to duly and punctually pay or cause to be paid from proceeds of Drawings made on the applicable Letter of Credit in accordance with this Agreement, the principal of and interest on each and every applicable Commercial Paper Note when due, whether at maturity or because the Issuing and Paying Agent has received a Final Drawing Notice from the applicable Bank. The Issuing and Paying Agent is authorized and directed to use amounts paid by the Commission to reimburse the applicable Bank for each Unpaid Drawing made on the applicable Letter of Credit in accordance with Section 3.04 hereof and Advances under the applicable Reimbursement Agreement. The principal of and interest on such Series of Commercial Paper Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. To the extent Drawings made on a Letter of Credit for the purpose of paying principal of and interest on applicable maturing Commercial Paper Notes, or on applicable Commercial Paper Notes with respect to which the Issuing and Paying Agent has received a Final Drawing Notice from the applicable Bank, together with applicable Note Proceeds from applicable Commercial Paper Notes issued on such date, are insufficient to pay principal of and interest on such maturing Commercial Paper Notes, or on such Commercial Paper Notes with respect to which the Issuing and Paying Agent has received a Final Drawing Notice from the applicable Bank, the Issuing and Paying Agent shall immediately notify the General Manager of the Commission who shall cause the Commission to make all payments of interest and principal directly to the Issuing and Paying Agent in immediately available funds on or prior to 12:00 p.m., New York City time, on the date payment is due on such Commercial Paper Note, whether at maturity or because the Issuing and Paying Agent has received a Final Drawing Notice from the applicable Bank.

The principal of and the interest on each Series of Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Series of Commercial Paper Notes have become due and payable, whether at maturity or because the Issuing and Paying Agent has received a Final Drawing Notice from the applicable Bank, *provided* that such Series of Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 9:00 a.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 9:00 a.m. (New York City time) on a Business Day, payment therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Commercial Paper Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Section 2.03. Authentication of Commercial Paper Notes. The Issuing and Paying Agent is by this Agreement designated by the Commission as an Authenticating Agent, Registrar and Paying Agent for each Series of Commercial Paper Notes and shall perform such duties in such capacity in accordance with the terms of this Agreement; *provided however*, the Issuing and Paying Agent when acting hereunder as the Authenticating Agent, Registrar or Paying Agent shall be afforded the same protections provided to the Issuing and Paying Agent hereunder as if each such provision affording protection to the Issuing and Paying Agent explicitly referred to the Authenticating Agent, Registrar and Paying Agent. Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not (i) authenticate a Series of Commercial Paper Notes which mature later than the Business Day immediately preceding the applicable Termination Date, (ii) authenticate a Series of Commercial Paper Notes if (a) an Event of Default then exists of which it has actual knowledge or (b) after the Issuing and Paying Agent has received a No-Issuance Notice, Acceleration Notice or a Final Drawing Notice from the applicable Bank, which No-Issuance Notice, Acceleration Notice or Final Drawing Notice has not been withdrawn or rescinded by the applicable Bank.

If any Commercial Paper Notes are to be issued in bearer form, the Commission shall from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, each of which shall have attached such number of carbon copies as the Issuing and Paying Agent shall reasonably specify. When any Commercial Paper Notes are delivered to the Issuing and Paying Agent by the Commission, the Issuing and Paying Agent shall execute and deliver to the Commission a receipt therefor and shall hold such Commercial Paper Notes for the account of the Commission in safekeeping in accordance with its customary practice.

Section 2.04. Form of Commercial Paper Notes and Authentication Certificate. The definitive Commercial Paper Notes and the Certificate of Authentication endorsed thereon for each Series of Commercial Paper Notes shall be substantially in the forms set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be

required or appropriate in order to accomplish the purpose of the transactions authorized by this Agreement.

The Commercial Paper Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 2.05. Book-Entry System. Unless the General Manager of the Commission or his or her designee determines that a Series of Commercial Paper Notes shall be issued in bearer form or registered form other than in book-entry form, each Series of Commercial Paper Notes shall initially be issued in book-entry form as further provided in this Section 2.05.

(a) Each Series of Commercial Paper Notes issued pursuant to this Agreement shall initially be issued in the form of a separate single fully-registered Note. Except as provided in subsection (c) of this Section 2.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 2.06, so long as the Commercial Paper Notes remain in the form of one or more master notes in book-entry form, the issuance of Commercial Paper Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Issuing and Paying Agent and the Commission may treat the registered owner of each Commercial Paper Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Commercial Paper Notes, giving any notice permitted or required to be given to Commercial Paper Noteholders under this Agreement, registering the transfer of Commercial Paper Notes, obtaining any consent or other action to be taken by Commercial Paper Noteholders, and for all other purposes whatsoever, and neither the Issuing and Paying Agent nor the Commission shall be affected by any notice to the contrary.

Neither the Issuing and Paying Agent nor the Commission shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant, or any other person who is not shown on the registration books as being a Commercial Paper Noteholder, with respect to (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Commercial Paper Noteholders under this Agreement; (iv) any consent given or other action taken by the Note Depository as Commercial Paper Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on each Series of Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article II shall refer to such new Nominee.

(b) In order to qualify the Commercial Paper Notes for the Note Depository's Book-Entry System, the appropriate officers or employees of the Commission are hereby authorized and directed to execute, seal, countersign and deliver, with a copy to the Issuing and Paying Agent, on behalf of the Commission to the Note Depository for the Commercial Paper Notes, a Letter of Representation from the Commission representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Letter of Representation shall not in any way limit the provisions of this Section 2.05 or in any other way impose upon the Commission any obligation whatsoever with respect to persons having beneficial ownership interests in the Commercial Paper Notes other than the Commercial Paper Noteholders.

(c) In the event (i) the Note Depository determines not to continue to act as securities depository for Commercial Paper Notes, or (ii) the Commission determines that the Note Depository shall no longer so act and delivers a written certificate to the Issuing and Paying Agent to that effect, then the Commission will discontinue the Book-Entry System with the Note Depository for such Commercial Paper Notes. If the Commission determines to replace the Note Depository for the Commercial Paper Notes with another qualified securities depository, the Commission shall prepare or direct the preparation of a new, single, separate, fully registered Commercial Paper Note for such Commercial Paper Notes registered in the name of such successor or substitute qualified Note Depository or its Nominee, or make such other arrangements acceptable to the Issuing and Paying Agent and such successor or substitute Note Depository as are not inconsistent with the terms of this Agreement. If the Commission fails to identify another qualified Note Depository to replace the incumbent Note Depository for the Commercial Paper Notes, then such Commercial Paper Notes shall no longer be restricted to being registered in the bond registration books in the name of the incumbent Note Depository or its Nominee, but shall be registered in whatever name or names the incumbent Note Depository or its Nominee transferring or exchanging such Commercial Paper Notes shall designate.

(d) Notwithstanding any provision of this Agreement to the contrary, so long as the Commercial Paper Notes are registered in the name of the Nominee, all payments with respect to principal of and interest on the Commercial Paper Notes and all notices with respect to the Commercial Paper Notes shall be made and given, respectively, as provided in the Letter of Representation or as otherwise instructed by the Note Depository.

(e) The initial Note Depository with respect to the Commercial Paper Notes shall be the Depository Trust Company ("DTC"). The initial Nominee with respect to the Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

Section 2.06. Conditions Precedent to Delivery of each Series of Commercial Paper Notes.

(a) Prior to the issuance of the first Commercial Paper Notes of each Series hereunder, such Commercial Paper Notes shall be executed by manual or facsimile signature of the General Manager of the Commission and countersigned by the Secretary of the Commission on behalf of the Commission and delivered to the Issuing and Paying Agent, who shall hold such Commercial Paper Notes unauthenticated in safekeeping for the Commission. Subject to the provisions of Sections 2.01 and 2.05 hereof and paragraphs (a), (b), (c) and (d) of this Section 2.06, at any time and from time to time prior to the Termination Date, Commercial Paper Notes shall be manually

authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request in the form attached hereto as Exhibit C or upon oral receipt by the Issuing and Paying Agent of information as set forth in Exhibit C, no later than 10:00 a.m. (New York City time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of a Dealer. Each Issuance Request shall include: (i) the designation of each Commercial Paper Note to be delivered; (ii) the principal amount and date of each Commercial Paper Note then to be delivered; (iii) the rate and amount of interest thereon; (iv) the maturity date thereof; and (v) if the Commercial Paper Notes are sold at a premium, the purchase price of the Commercial Paper Notes. Any such Issuance Request shall be accompanied by an acknowledgment from the Director of Public Finance, or his or her designee, approving of said Issuance Request. No later than 12:30 p.m. (New York City time) on each Business Day on which the Commission proposes to issue Commercial Paper Notes, each Dealer shall report to the Commission each transaction made with or arranged by it or shall notify the Commission and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Commercial Paper Notes and the amount of Commercial Paper Notes which such Dealer has arranged to sell or has agreed in its sole discretion to purchase.

Subject to the provisions of Sections 2.01 and 2.05 hereof and paragraphs (a), (b), (c) and (d) of this Section 2.06, upon receipt of such Issuance Request (which may be (a) mailed, (b) telephoned, (c) transmitted through an electronic instruction and reporting communication service offered by the issuing and paying agent, and/or (d) transmitted by facsimile device to the Issuing and Paying Agent), the Issuing and Paying Agent shall, by 2:15 p.m. (New York City time) on such day, complete each Commercial Paper Note then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the requesting Dealer upon receipt of payment therefor; *provided, however*, that no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if such delivery would result in the aggregate principal amount of the applicable Series of Commercial Paper Notes Outstanding being in excess of (i) \$125,000,000 or (ii) the Principal Portion then available under the applicable Letter of Credit, or would result in the aggregate amount of interest payable on such Commercial Paper Notes to exceed the Interest Portion then available under the applicable Letter of Credit. Notwithstanding any provision herein to the contrary, no such Commercial Paper Notes of the applicable Series shall be delivered by the Issuing and Paying Agent if (A) it shall have received notice from a Designated Representative directing the Issuing and Paying Agent to cease authenticating and delivering Commercial Paper Notes until such time as such direction is withdrawn by similar notice, (B) it shall have actual knowledge that an Event of Default shall have occurred and be continuing, (C) it shall have received notice from Bond Counsel that their opinion regarding the exclusion of interest on the Commercial Paper Notes from gross income for federal income tax purposes thereof is being withdrawn, (D) the maturity date of such Commercial Paper Notes would extend beyond the Business Day immediately preceding the Termination Date of the applicable Letter of Credit or (E) the Issuing and Paying Agent shall have received a No-Issuance Notice, Acceleration Notice or a Final Drawing Notice from the applicable Bank. If an Issuance Request is received after 10:00 a.m. (New York City time) on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Commercial Paper Notes until the next succeeding Business Day.

A copy of each Commercial Paper Note authenticated in bearer form by the Issuing and Paying Agent shall be promptly mailed by U.S. mail, first class, postage prepaid, to the Commission by the Issuing and Paying Agent. The Issuing and Paying Agent shall furnish the Commission with such additional information with respect to the carrying out of its duties hereunder as the Commission from time to time shall reasonably request.

(b) In addition to the Issuance Request described above in this Section 2.06, and as a further condition to the issuance of any Commercial Paper Notes, the Designated Representative shall certify to the Issuing and Paying Agent that, as of the date of delivery of such Commercial Paper Notes, (i) the applicable Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of such Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding as provided in Section 2.01(b) hereof; (iii) the interest rates borne by such Commercial Paper Notes to be delivered on such date do not exceed the lesser of the Maximum Interest Rate or the rate used in calculating the applicable Interest Portion of the applicable Letter of Credit; (iv) the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date; (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Business Day immediately preceding the Termination of the applicable Letter of Credit or the latest maturity date allowed by the Ordinances; (vi) the Commission has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest on the Commercial Paper Notes delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealers has been delivered; (vii) no Event of Default has occurred and is then continuing; (viii) all of the conditions precedent to the issuance of such Commercial Paper Notes, including the consent of the Director of Public Finance to the delivery of such Issuance Request, set forth in this Section 2.06 have been satisfied and (ix) it has not received a No-Issuance Notice, Acceleration Notice or Final Drawing Notice from the applicable Bank.

The delivery of any Issuance Request to the Issuing and Paying Agent by a Designated Representative in the manner provided in this Section 2.06 shall constitute the certification and representation of the Commission as of the date of such Issuance Request as to the matters set forth in the immediately preceding paragraph.

(c) Any Issuance Request made by telephone pursuant to this Section 2.06 may be recorded by the Issuing and Paying Agent and confirmed promptly in writing by a Designated Representative; *provided, however*, that the failure to confirm any such Issuance Request, or any conflict between any such recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(d) For each Series of Commercial Paper Notes, prior to the initial delivery of Commercial Paper Notes under this Agreement and as a condition to such initial issuance, the

Commission shall be notified by the Issuing and Paying Agent that the Issuing and Paying Agent has received:

- (i) The fully executed Reimbursement Agreement for the applicable Series of Commercial Paper Notes;
- (ii) The executed Letter of Credit for the applicable Series of Commercial Paper Notes;
- (iii) The opinions of the United States counsel (and foreign counsel if the applicable Bank is a United States branch or agency of a bank organized under the laws of a country other than the United States) to the applicable Bank, addressed to the Commission, the City and the Issuing and Paying Agent, to the effect that the Letter of Credit for the applicable Series of Commercial Paper Notes is a valid and binding obligation of the applicable Bank, enforceable in accordance with its terms; and
- (iv) Fully executed counterparts of the Dealer Agreements.

Section 2.07. Commercial Paper Notes. The Commission and the Issuing and Paying Agent may deem and treat the bearer of Commercial Paper Notes in bearer form or the registered owner of Commercial Paper Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Commission nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Commercial Paper Notes. If any Commercial Paper Note shall become mutilated, the Commission, at the expense of the Holder of such Commercial Paper Note, shall execute or cause to be executed, and the Issuing and Paying Agent shall thereupon authenticate and deliver a new Commercial Paper Note of like tenor bearing a different number in exchange and substitution for the Commercial Paper Note so mutilated, but only upon surrender to the Issuing and Paying Agent of the Commercial Paper Note so mutilated. If any Commercial Paper Note shall be lost, destroyed or stolen, evidence of the ownership thereof, and of such loss, destruction or theft may be submitted to the Commission and the Issuing and Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Commission, at the expense of the Holder, shall execute, and the Issuing and Paying Agent shall thereupon authenticate and deliver a new Commercial Paper Note of like tenor and bearing a different number in lieu of and in substitution for Commercial Paper Note so lost, destroyed or stolen (or if any such Commercial Paper Note shall have matured or shall be about to mature, instead of issuing a substitute Commercial Paper Note, the Commission may direct the Issuing and Paying Agent to pay the same without surrender thereof). The Commission and Issuing and Paying Agent may require payment by the registered Holder of a Commercial Paper Note of a sum not exceeding the actual cost of preparing each new Commercial Paper Note executed and delivered pursuant to this paragraph and of the expenses which may be incurred by the Commission and the Issuing and Paying Agent. Any Commercial Paper Note executed and delivered under these provisions in lieu of any Commercial Paper Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the

Commission whether or not Commercial Paper Note so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement with all other Commercial Paper Notes secured by this Agreement.

Section 2.09. Surrender of Commercial Paper Notes. All Commercial Paper Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Issuing and Paying Agent, shall be delivered to the Issuing and Paying Agent and shall be promptly cancelled by the Issuing and Paying Agent. The Commission may at any time deliver to the Issuing and Paying Agent for cancellation any Commercial Paper Notes previously authenticated and delivered hereunder which the Commission may have acquired in any manner whatsoever, and all Commercial Paper Notes so delivered shall promptly be cancelled by the Issuing and Paying Agent. No Commercial Paper Note shall be authenticated in lieu of or in exchange for any Commercial Paper Note cancelled as provided herein, except as expressly permitted hereunder. All cancelled Commercial Paper Notes held by the Issuing and Paying Agent shall be disposed of as directed by the Commission.

Section 2.10. Execution and Authentication of Commercial Paper Notes. The Commercial Paper Notes shall be executed by and in the name of the Commission under this Agreement, by the signature of the General Manager of the Commission attested by the Secretary of the Commission and shall be delivered to the Issuing and Paying Agent. Such signature shall be manually affixed to the Commercial Paper Notes, except that if the Commercial Paper Notes shall have been manually authenticated by the Issuing and Paying Agent, the signature of the General Manager, and Secretary of the Commission may be a printed, lithographed or engraved facsimile thereof. The Issuing and Paying Agent is hereby authorized to cause the blank spaces in forms of Commercial Paper Notes attached hereto to be filled in as may be appropriate and to deliver the Commercial Paper Notes to the Dealers in accordance with the terms and provisions of the Dealer Agreements.

Section 2.11. Temporary Commercial Paper Notes.

(a) Until definitive Commercial Paper Notes are prepared, the Commission may execute and deliver, or, in the case of registered Commercial Paper Notes, upon request by the Commission, the Authenticating Agent shall authenticate and deliver, temporary Commercial Paper Notes that may be typewritten, printed or otherwise reproduced in lieu of definitive Commercial Paper Notes subject to the same provisions, limitations and conditions as definitive Commercial Paper Notes. The temporary Commercial Paper Notes shall be dated as provided herein, shall be in such denomination or denominations and shall be numbered as the Commission shall determine, and shall be of substantially the same tenor as the definitive Commercial Paper Notes, but with such omissions, insertions and variations as the officers of the Commission executing the same may determine. The temporary Commercial Paper Notes shall only be issued in fully registered form, and may be issued in the form of a single Commercial Paper Note.

(b) Without unreasonable delay after the issuance of any temporary Commercial Paper Notes, the Commission shall cause the definitive Commercial Paper Notes to be prepared, executed and delivered. Any temporary Commercial Paper Notes issued shall be exchangeable for definitive Commercial Paper Notes upon surrender to the Issuing and Paying Agent or, in the case of registered Commercial Paper Notes, to the Registrar of any such temporary Commercial

Paper Note or Commercial Paper Notes, and, upon request by the Commission, the Authenticating Agent shall authenticate and deliver to the Holder of the temporary Commercial Paper Note or Commercial Paper Notes, in exchanges therefor, a like principal amount of definitive Commercial Paper Notes in authorized denominations of the same interest rate and maturity date. Until so exchanged the temporary Commercial Paper Notes shall in all respects be entitled to the same benefits as definitive Notes executed and delivered pursuant hereto.

(c) All temporary Commercial Paper Notes surrendered in exchange for a definitive Commercial Paper Note or Commercial Paper Notes shall forthwith be cancelled by the Issuing and Paying Agent or the Registrar.

Section 2.12. Non-Presentation of Commercial Paper Notes; Unclaimed Money.

(a) If any Commercial Paper Notes are not presented for payment when the principal thereof becomes due, all liability of the Commission to the Holder thereof for the payment of such Commercial Paper Notes shall be completely discharged if funds sufficient to pay such Commercial Paper Notes and the interest due thereon to the stated maturity date shall be held by the Issuing and Paying Agent for the benefit of such Holder, and thereupon it shall be the duty of the Issuing and Paying Agent to hold such funds subject to subsection (b) below, without liability for interest thereon, for the benefit of such Holder, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature under this Agreement or on, or with respect to, such Commercial Paper Note.

(b) Anything contained herein to the contrary notwithstanding, any money held by the Issuing and Paying Agent in trust for the payment and discharge of any Commercial Paper Notes which remains unclaimed for two (2) years after the date when the payments on such Commercial Paper Notes have become payable, if such money was held by the Issuing and Paying Agent on such date, or for two (2) years after the date of deposit of such money if deposited with the Issuing and Paying Agent after the date when the principal of such Commercial Paper Notes have become payable, shall upon written notice from the Commission be repaid by the Issuing and Paying Agent to the Commission as its absolute property free from trust, and the Issuing and Paying Agent shall thereupon be released and discharged with respect thereto and the Holders shall look only to the Commission for the payment of the principal of such Commercial Paper Notes and the interest due thereon to the stated maturity date; *provided* that before being required to make any such payment to the Commission, the Issuing and Paying Agent shall, at the expense of the Commission, publish once in The Wall Street Journal a notice that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of the earliest publication of such notice, the Issuing and Paying Agent shall promptly pay to the applicable Bank so much of such money as such Bank certifies to the Issuing and Paying Agent, with notice to the Commission and the City, that the Commission owes to such Bank with respect to any Commercial Paper Note or under the applicable Reimbursement Agreement or this Agreement, and the balance of such money then unclaimed will be returned to the Commission.

Section 2.13. Money Market Issuance System. The Commission understands that all instructions under this Agreement are to be directed to the Issuing and Paying Agent's Commercial Paper Operations Department. The Issuing and Paying Agent shall provide the Commission with access to the Issuing and Paying Agent's Money Market Issuance System or other electronic means

(collectively, the “System”) in order that the Issuing and Paying Agent may receive electronic instructions for the issuance of the Commercial Paper Notes. Electronic instructions will be subject to an acceptance of terms issued by the Issuing and Paying Agent if the Commission elects to use the Issuing and Paying Agent’s internet-based communications program to access the System. Electronic instructions must be transmitted in accordance with the procedures furnished by the Issuing and Paying Agent to the Commission in connection with the System. These transmissions shall be the equivalent to the giving of a written Issuance Request to the Issuing and Paying Agent. If the System is inoperable at any time, the Designated Representatives may deliver written, telephone or facsimile instructions to the Issuing and Paying Agent, which instructions shall be verified in accordance with any security procedures agreed upon by the parties.

ARTICLE III

FUNDS AND ACCOUNTS; APPLICATION OF NOTE PROCEEDS

Section 3.01. Establishment and Designation of Funds and Accounts.

(a) There is hereby established a Construction Fund, with accounts therein for each Series of Commercial Paper Notes designated as the “Series __ Construction Account,” which the City Treasurer shall hold in accordance with this Agreement;

(b) There is hereby established hereunder a Debt Service Fund, and the Issuing and Paying Agent shall hold such fund in accordance with this Agreement and within such fund establish and maintain the following accounts:

(i) Debt Service Account, with subaccounts therein for each Series of Commercial Paper Notes designated as the “Series __ Debt Service Account”;

(ii) Bank Payment Account, with subaccounts therein for each Series of Commercial Paper Notes designated as the “Series __ Bank Payment Account”; and

(iii) Bank Note Debt Service Account, with subaccounts therein for each Series of Commercial Paper Notes designated as the “Series __ Bank Note Debt Service Account.

Section 3.02. Deposit of Proceeds of Commercial Paper Notes. Immediately upon receipt thereof, the Issuing and Paying Agent shall first deposit the proceeds of the sale of any Commercial Paper Notes into the related subaccount of the Bank Payment Account in an amount equal to the Unpaid Drawings, if any, made on the applicable Letter of Credit to pay principal of and/or interest on such Commercial Paper Notes and unreimbursed Advances under the applicable Reimbursement Agreement; and shall then transfer the remaining proceeds to the City Treasurer for deposit in the related account of the Construction Fund.

Section 3.03. Application of Moneys in Construction Fund.

(a) Moneys in the Construction Fund attributable to each Series of Commercial Paper Notes shall be applied to the payment of the Cost of Power Enterprise Projects and to the payment of the administrative costs related to the applicable Series of Commercial Paper Notes, including but not limited to the fees and expenses of the Dealers, the Issuing and Paying Agent, the Rating

Agencies, the applicable Bank and any other attorneys, consultants or service providers, which administrative costs shall be paid by the Commission on or about the last day of March, June, September and December of each year.

(b) The General Manager of the Commission is hereby authorized to disburse from the each account of the Construction Fund the amount required for the payment of the Cost of Power Enterprise Projects and administrative costs and is directed to make such disbursements upon receipt of a warrant drawn by the Controller; *provided* that proceeds of the Series A-1 Notes may be used to finance or refinance all or a portion of the Cost of Power Enterprise Projects and administrative costs funded with proceeds of the Series A-2 Notes; and *provided* further that proceeds of the Series A-2 Notes may be used to finance or refinance all or a portion of the Cost of Power Enterprise Projects and administrative costs funded with proceeds of the Series A-1 Notes.

Section 3.04. Deposits Into and Uses of the Debt Service Account and the Bank Payment Account.

(a) On or before 2:15 p.m., New York City time, on the maturity date of each Commercial Paper Note or on the date on which the applicable Bank honors payment of a Drawing in connection with a Final Drawing Notice, the Commission shall deposit with the Issuing and Paying Agent in immediately available funds from amounts representing proceeds of sale of Commercial Paper Notes or from Available Power Enterprise Revenues (or borrowings secured thereby) for deposit in the related subaccount of the Bank Payment Account, an amount sufficient, together with all other amounts available to the Issuing and Paying Agent, in the related subaccount of the Bank Payment Account, which the Issuing and Paying Agent shall immediately apply to reimburse the applicable Bank in full for the amounts to be drawn under the applicable Letter of Credit to pay principal of and interest due on all Commercial Paper Notes of the applicable Series on such maturity date or on the date on which the applicable Bank honors payment of a Drawing in connection with a Final Drawing Notice and unreimbursed Advances under the respective Reimbursement Agreement. The Issuing and Paying Agent shall make information available to the Commission on or before 5:00 p.m., New York City time, on the Business Day prior to such maturity date of each Commercial Paper Note or the date on which the applicable Bank is to honor payment of a Drawing in connection with a Final Drawing Notice, as the case may be, as to the total amount of principal and interest due on such maturity date or the date on which the applicable Bank is to honor payment of a Drawing in connection with a Final Drawing Notice.

(b) Each Drawing received by the Issuing and Paying Agent as a result of a drawing under a Letter of Credit to pay the principal of and/or interest on maturing Commercial Paper Notes (including a Drawing in connection with a Final Drawing Notice) shall be deposited into the related subaccount of the Debt Service Account and used solely to pay the principal of and interest on such maturing Commercial Paper Notes upon the proper presentment thereof.

(c) Moneys in the Debt Service Account and the Bank Payment Account shall not be invested.

Section 3.05. Drawings under each Letter of Credit. The Issuing and Paying Agent agrees to hold each Letter of Credit in trust for the benefit of the Holders, from time to time, of the

applicable Series of Commercial Paper Notes. On or before each maturity date for any Commercial Paper Note, an authorized officer of the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the applicable Bank and demand payment be made under the applicable Letter of Credit on such maturity date at such time and in such amount not in excess of the applicable Stated Amount so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on such Commercial Paper Notes on such date; *provided* that, in each case any certificates of the Issuing and Paying Agent shall be signed by one who states therein that such person is a duly authorized officer of the Issuing and Paying Agent. Upon receipt of a Final Drawing Notice from the applicable Bank, the Issuing and Paying Agent shall draw on the applicable Letter of Credit no later than the second Business Day prior to the applicable Termination Date after the receipt of such notice in an amount at least equal to the principal of and interest accrued and to accrue until the scheduled maturity date on all related outstanding Commercial Paper Notes of the applicable Series.

The Issuing and Paying Agent shall not make any Drawing on a Letter of Credit for the purpose of paying any Commercial Paper Notes registered in the name of the Commission or the applicable Bank or its nominee.

Section 3.06. Investments Authorized. Money held by the Issuing and Paying Agent in any fund or account hereunder shall be invested by the Issuing and Paying Agent in Qualified Investments pending application as provided herein solely at the written direction of a Designated Representative, shall be registered in the name of the Issuing and Paying Agent where applicable, as Issuing and Paying Agent, and shall be held by the Issuing and Paying Agent. Money held in any fund, account, or subaccount hereunder (other than the Rebate Fund) may be commingled for purposes of investment only; *provided, however*, that each fund, account, or subaccount held by the Issuing and Paying Agent hereunder shall be accounted for separately and provided, further, that moneys in the Debt Service Account and the Bank Payment Account shall not be invested.

Section 3.07. Moneys Remaining in Funds and Accounts. At any time there are no Commercial Paper Notes Outstanding or any Bank Notes Outstanding, the Commission may withdraw moneys from any fund or account established hereunder by written direction to the Issuing and Paying Agent. Upon receipt of such a written request, the Issuing and Paying Agent shall deliver any amounts so specified to, or upon the order of, the Commission.

ARTICLE IV

THE BANK NOTES

Section 4.01. Authorization and Terms of Bank Notes.

(a) The Commission hereby authorizes the issuance of one or more series of its Bank Notes, subject to the provisions of this Section 4.01 and as hereinafter provided. Bank Notes shall be issued from time to time as provided herein in the event that any Drawing is not reimbursed on the same Business Day such Drawing is made or, if required by the applicable Bank, shall be issued on the date the applicable Letter of Credit is delivered to evidence the obligation of the Commission to repay any Unpaid Drawings. Any Series A-1 Bank Notes issued shall be designated the “San Francisco Public Utilities Commission Bank Notes (Power Series) Series A-

1” and any Series A-2 Bank Notes issued shall be designated the “San Francisco Public Utilities Commission Bank Notes (Power Series) Series A-2”. Bank Notes shall be issued in consideration of the payment of all applicable Unpaid Drawings and Advances. The aggregate principal amount of any Bank Note that may be Outstanding at any one time hereunder shall not at any time exceed the applicable Stated Amount of the applicable Letter of Credit on its issuance date.

(b) The Bank Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form only; shall be issued in any denomination and shall bear interest at the Bank Rate (calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable); *provided, however*, that the interest payable on the Bank Notes for any given period shall not exceed the Maximum Interest Rate in effect for such period. Bank Notes shall bear interest from their respective dates, payable in accordance with the applicable Reimbursement Agreement. Principal of Bank Notes shall be payable as specified in such Bank Note and the applicable Reimbursement Agreement.

(c) Bank Notes shall be subject to optional prepayment prior to maturity in accordance with, and upon notice as provided by, the applicable Reimbursement Agreement.

(d) Bank Notes shall be numbered consecutively from No. 1 upward. The Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

Section 4.02. Issuance of Bank Notes. In the event that any Bank shall have made a Drawing that has not been reimbursed on the same Business Day, such Bank shall provide notice in writing to the Commission and the Issuing and Paying Agent requesting the issuance of a Bank Note and stating: (i) the amount of the Drawing that remains unreimbursed; (ii) the final maturity date of such Bank Note; and (iii) the amount of each scheduled principal installment on such Bank Note; *provided, however*, that no such notice need be given if such Bank Note was delivered on the date of issuance of the applicable Letter of Credit as provided in Section 4.01(a) hereof. On the date of issuance of the applicable Letter of Credit or upon receipt of the notice provided in the first sentence of this Section 4.02, the Issuing and Paying Agent shall authenticate a Bank Note and, in accordance with such notice and the certificate of a Designated Representative delivered to the Issuing and Paying Agent pursuant to Section 2.06(c) hereof, shall deliver such Bank Note to or upon the order of the applicable Bank. No approval of the Commission or the City is necessary for the issuance of any Bank Notes.

Section 4.03. Form of Bank Notes and Authentication Certificate. The definitive Bank Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A to the applicable Reimbursement Agreement, with such appropriate variations, omissions and insertions as shall be necessary or appropriate in order to accomplish the purpose of the transaction authorized by this Agreement.

The Bank Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 4.04. Transfers of Bank Notes. To the extent permitted by applicable law, the Bank Notes shall be negotiable and transferable solely to the extent provided in the applicable Reimbursement Agreement.

Section 4.05. Deposits of Available Power Enterprise Revenues in Bank Note Account.

(a) On or before the Business Day before each Bank Note Payment Date, the General Manager of the Commission shall allocate and transfer to the Issuing and Paying Agent in immediately available funds for deposit in the related subaccount of the Bank Note Debt Service Account amounts from Available Power Enterprise Revenues (or at the Commission's option, the proceeds of any commercial paper or Power Bonds), as follows:

(i) An amount equal to the aggregate amount of interest due and payable on such Bank Note Payment Date on all applicable Bank Notes Outstanding payable from Available Power Enterprise Revenues; and

(ii) An amount equal to the aggregate amount of principal due and payable on such Bank Note Payment Date on all applicable Bank Notes Outstanding payable from Available Power Enterprise Revenues.

(b) Amounts in the Bank Note Debt Service Account shall be invested in Qualified Investments by the Issuing and Paying Agent as directed in writing by a Designated Representative, with the approval of the applicable Bank (which approval shall not be unreasonably withheld).

(c) The Bank Notes shall not be payable from the proceeds of any Drawing or any Advance.

ARTICLE V

COVENANTS; REPRESENTATIONS

Section 5.01. No Arbitrage. The Commission shall not take, nor permit to be taken by the Issuing and Paying Agent or otherwise, any action which, if such action had been reasonably expected to have been taken or had been deliberately and intentionally taken on the date of the issuance of any Commercial Paper Notes, would have caused such Commercial Paper Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations. To that end, the Commission will comply with all requirements of Section 148 of the Code to the extent applicable to the Commercial Paper Notes. In the event that at any time the Commission is of the opinion that for purposes of this Section 5.01 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Issuing and Paying Agent under this Agreement, the Commission shall so instruct the Issuing and Paying Agent in writing, and the Issuing and Paying Agent shall take such action as may be necessary in accordance with such instructions.

Section 5.02. Rebate to United States. The Commission will pay or cause to be paid to the United States Government the amounts required by Section 148(f) of the Code and any Regulations promulgated thereunder at the times required thereby. To further the satisfaction of such rebate requirement, there is hereby created, to be held by the Issuing and Paying Agent as a

separate fund for the Commercial Paper Notes distinct from all other funds and accounts held by the Issuing and Paying Agent under the Agreement, a fund designated as the “Rebate Fund.” The Issuing and Paying Agent shall hold any payments received from the Commission for deposit into the Rebate Fund for purposes of ultimate rebate to the United States, all as more particularly described in the Tax Certificate. Pending payment to the United States, moneys held in the Rebate Fund are hereby pledged to secure such payments to the United States as provided herein and in the Tax Certificate, and neither the Commission, the Owners nor any other person shall have any rights in or claim to such moneys. The Issuing and Paying Agent shall invest all amounts held in the Rebate Fund as directed in writing by a Designated Representative in No purpose Investments (as defined in the Tax Certificate), as directed by the Commission in the Tax Certificate.

Computations of the rebate amount and all calculations under this Section and the Tax Certificate shall be furnished by or on behalf of the Commission. The Issuing and Paying Agent shall be deemed conclusively to have complied with the provisions of this Section if it follows the payment directions of the Designated Representative. The Issuing and Paying Agent shall have no liability or responsibility to enforce compliance by the Commission with the Tax Certificate. The Issuing and Paying Agent shall have no obligation to pay any amounts required to be rebated pursuant to this Section, other than from moneys required to be held in the funds and accounts created under this Agreement, including the Rebate Fund, or from other moneys provided to it by the Commission.

The Commission and the Issuing and Paying Agent shall keep and retain, for a period of two (2) years following the retirement of the Commercial Paper Notes, records of the determinations made pursuant to this Section 5.02.

In order to provide for the administration of this Section 5.02, the Commission may provide for the employment of independent attorneys, accountants and consultants, who shall be selected by the Commission with reasonable care and compensated on such reasonable basis as the Commission may deem appropriate, and the Issuing and Paying Agent may rely conclusively upon the opinions, calculations, determinations and advice of such attorneys, accountants and consultants employed hereunder.

Section 5.03. Tax Covenant. The Commission shall not use or knowingly permit the use of any proceeds of the Commercial Paper Notes or any other funds of the Commission, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Commercial Paper Notes being treated as an obligation not described in Section 103(a) of the Code. Without limiting the generality of the foregoing, the Commission will comply with all the requirements and covenants contained in the Tax Certificate. This covenant shall survive the payment in full or defeasance of the Commercial Paper Notes.

Section 5.04. [Reserved].

Section 5.05. Letter of Credit. For each Series of Commercial Paper Notes, the Commission hereby covenants to maintain in effect the applicable Letter of Credit or an Alternate Facility meeting the requirements hereof at all times that applicable Commercial Paper Notes are Outstanding hereunder. The Commission further covenants that if it is unable to obtain a commitment for an Alternate Facility at least 90 days prior to the Expiration Date of such Letter

of Credit, it shall use its best efforts, to the extent permitted by law, to endeavor to refinance such outstanding Commercial Paper Notes or Bank Notes, as the case may be.

Section 5.06. Amounts of Rates and Charges. The Commission covenants to establish, maintain and collect rates and charges with respect to the Power Enterprise sufficient (after giving effect to the expected receipt of refinancing proceeds from the sale of Commercial Paper Notes or Power Bonds) to pay the Commercial Paper Notes, the Parity Notes, the Bank Notes, all other amounts due and owing under the Series A-1 Reimbursement Agreement, the Series A-2 Reimbursement Agreement and all other obligations payable from the Power Enterprise.

Section 5.07. Limitation on Additional Debt. The Commission will not issue any additional Parity Notes, bonds, notes or other obligations for borrowed money payable from revenues of the Power Enterprise, including without limitation any additional Series of Commercial Paper Notes, unless the Commission provides a certificate of a Designated Representative of the Commission to the effect that (i) actual revenues of such enterprise for the most recently completed Fiscal Year, or (ii) projected revenues for the next three Fiscal Years following the issuance of such Parity Notes, additional bonds, notes, additional Series of Commercial Paper Notes, or other indebtedness are or will be sufficient to satisfy Section 5.06 hereof, assuming the issuance of such Parity Notes, bonds, notes, additional Series of Commercial Paper Notes, or other indebtedness and repayment, if any, from the proceeds thereof of maturing Commercial Paper Notes, the Bank Notes and all other amounts due and owing under the Series A-1 Reimbursement Agreement and the Series A-2 Reimbursement Agreement pursuant to the terms of such financing.

Section 5.08. Financial Statements. The Commission will keep proper books of records and accounts of the Power Enterprise, separate and apart from all other records and accounts of the Commission, in which complete and correct entries shall be made of all transactions relating to the Power Enterprise. Such books and records shall at all times during regular business hours be available to the Banks and to the Holders of the Commercial Paper Notes or their representatives authorized (at the cost of such Holders as the Commission may charge) in writing, at reasonable hours and upon prior written notice to the Commission and under reasonable conditions. The Commission shall be entitled to charge the cost of copying any such records to the Banks or the Holders of Commercial Paper Notes, or their representatives, as the case may be.

ARTICLE VI

PLEDGE OF AVAILABLE REVENUES; LIMITED LIABILITY OF THE COMMISSION

Section 6.01. Available Power Enterprise Revenues. The Commercial Paper Notes and the Bank Notes are revenue obligations, are not secured by the taxing power of the Commission or the City and shall be payable as to both principal and interest from, and shall be secured solely by a pledge as hereinafter provided of, the Available Power Enterprise Revenues, and, as set forth below, funds and accounts created hereunder.

The Available Power Enterprise Revenues (on a parity with the pledge securing any Parity Notes) and the Construction Fund and the accounts therein are hereby pledged to the payment of the Commercial Paper Notes, the Bank Notes and all obligations of the Commission relating to

such Commercial Paper Notes hereunder and under the Series A-1 Reimbursement Agreement and the Series A-2 Reimbursement Agreement without priority or distinction of one over the other, except as expressly provided hereunder. In addition, (i) the Series A-1 Debt Service Account is hereby pledged to secure the payment of the interest on and principal of the Series A-1 Notes, (ii) the Series A-1 Bank Payment Account and the Series A-1 Bank Note Debt Service Account are hereby pledged to secure the payment of the interest on and principal of the Series A-1 Bank Notes and obligations under the Series A-1 Reimbursement Agreement, (iii) the Series A-2 Debt Service Account is hereby pledged to secure the payment of the interest on and principal of the Series A-2 Notes, and (iv) the Series A-2 Bank Payment Account and the Series A-2 Bank Note Debt Service Account are hereby pledged to secure the payment of the interest on and principal of the Series A-2 Bank Notes and obligations under the Series A-2 Reimbursement Agreement.

The Available Power Enterprise Revenues and the funds and accounts pledged hereunder constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes and the Bank Notes and all obligations of the Commission relating to such Commercial Paper Notes hereunder and under the Series A-1 Reimbursement Agreement and the Series A-2 Reimbursement Agreement, as provided hereunder, and shall be irrevocable until all of the Commercial Paper Notes and the Bank Notes secured by Available Power Enterprise Revenues have been paid and retired and any related obligations of the Commission under the Series A-1 Reimbursement Agreement and the Series A-2 Reimbursement Agreement have been satisfied.

Section 6.02. Limited Obligations. The obligation of the Commission to pay the Holders from time to time of Commercial Paper Notes shall be only from Available Power Enterprise Revenues. No Holder of any Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City to pay any Commercial Paper Note or the interest thereon. The credit of the City is not pledged for the payment of the principal or interest on any Commercial Paper Note or any Bank Note, and the general fund of the City is not liable for the payment of the Commercial Paper Notes or the Bank Notes. The Holder of the Commercial Paper Notes shall not be entitled to compel the forfeiture of any property of the Commission or the City.

Neither the Commission nor any officer or employee thereof shall be liable or obligated for the payment of the principal of or interest on any Commercial Paper Notes or Bank Notes or for any payment agreed to be made or contemplated pursuant to the terms of this Agreement, save and except from Available Power Enterprise Revenues, and the other moneys pledged thereto under the terms of this Agreement.

ARTICLE VII

ISSUING AND PAYING AGENT; DEALER

Section 7.01. Appointment of Issuing and Paying Agent. The Commission hereby appoints U.S. Bank National Association to serve as Issuing and Paying Agent hereunder. The Issuing and Paying Agent hereby accepts such appointment and hereby agrees to hold such funds, and fulfill such other duties of the Issuing and Paying Agent as more fully set forth in this Agreement. The Commission acknowledges that (i) the Issuing and Paying Agent has previously entered into a commercial paper certificate agreement (the "Certificate Agreement") with DTC, a

copy of which is on file with the Commission and the Issuing and Paying Agent, and (ii) the continuing effectiveness of the Certificate Agreement is a necessary prerequisite to the Issuing and Paying Agent's providing services related to the issuance and payment of the Commercial Paper Notes while the Commercial Paper Notes are in book-entry only form and DTC is the Note Depository.

Section 7.02. Reports, Records and Accounts.

(a) The Issuing and Paying Agent shall at all times keep or cause to be kept proper books and records, as shall be consistent with prudent industry practice, in which complete and accurate entries shall be made of all transactions, including without limitation a complete record of all Issuance Requests, made by it relating to the proceeds of the Commercial Paper Notes and all funds and accounts established and maintained by the Issuing and Paying Agent hereunder. Such records shall be available for inspection by the Commission, the City and the Banks on each Business Day upon reasonable notice during reasonable business hours and by any Commercial Paper Noteholder or its agent or representative duly authorized in writing at reasonable hours upon reasonable notice.

(b) The Issuing and Paying Agent shall provide to the Commission each month a report of the amounts deposited in each fund and account held by it under this Agreement and the amount disbursed from such funds and accounts, the earnings thereon, if any, the ending balance in each such fund and account, and the investments in each such fund and account. The Issuing and Paying Agent shall also make available to the Commission such information regarding the issuance of Commercial Paper Notes during the subject month as the Commission shall reasonably request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Commission resulting from the Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedules therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Commission therein recorded.

Section 7.03. Duties. The Issuing and Paying Agent's duties and responsibilities in connection with the payment of the Commercial Paper Notes shall include:

(a) upon presentment at maturity of a Commercial Paper Note, to pay the principal of and interest on the Commercial Paper Note to the Holder thereof;

(b) to make the necessary and timely drawings under each Letter of Credit in accordance with the terms and provisions thereof in order to effectuate the timely payment of principal of and interest on the Commercial Paper Notes as the same becomes due;

(c) to credit amounts received from the Commission for the payment of the principal of or interest on the Commercial Paper Notes to the related subaccount of the Bank Payment Account;

(d) to credit amounts received from a Bank as a result of drawings under the applicable Letter of Credit to the related subaccount of the Debt Service Account;

(e) to keep amounts on deposit in the related subaccount of the Debt Service Account separate from all other funds and accounts of the Issuing and Paying Agent and to utilize such amounts in accordance with the terms hereof; and

(f) the Issuing and Paying Agent agrees that it will not reduce, or consent to the reduction of, the applicable Stated Amount of a Letter of Credit below the amount of the applicable Series of Commercial Paper Notes outstanding, together with interest to accrue thereon.

In requesting Advances under each Reimbursement Agreement, the Issuing and Paying Agent shall be acting solely on behalf and for the benefit of the Owners of the respective Series of Commercial Paper Notes, and not as agent of the Commission.

The Issuing and Paying Agent acknowledges that, prior to the issuance of any Series of Commercial Paper Notes, it shall accept delivery of the applicable Letter of Credit. In making Drawings on the applicable Letter of Credit, the Issuing and Paying Agent shall be acting solely on behalf and for the benefit of the Owners of the applicable Series of Commercial Paper Notes, and not as agent of the Commission.

Section 7.04. Compensation. The Commission agrees to pay compensation for the Issuing and Paying Agent's services hereunder in accordance with the Issuing and Paying Agent's fee schedule, as amended from time to time (with notice to and the consent of the Commission), and to reimburse the Issuing and Paying Agent for such disbursements (including the reasonable fees and expenses of counsel). The Issuing and Paying Agent's fee schedule is attached hereto as Exhibit D. The Commission shall also reimburse the Issuing and Paying Agent for any fees and charges imposed by the Note Depository with respect to Commercial Paper Notes issued in book-entry form as set forth in the fee schedule. The Issuing and Paying Agent shall have no lien on Note Proceeds or on any Drawing under any Letter of Credit for payment of its compensation hereunder.

Section 7.05. Liability. The Commission agrees that the Issuing and Paying Agent shall not be liable for any losses, damages, liabilities or costs suffered or incurred by the Commission as a result of (a) the Issuing and Paying Agent's having duly executed Issuance Requests in good faith in accordance therewith and with this Agreement; (b) the Issuing and Paying Agent's improperly executing or failing to execute any Issuance Requests because of erroneous Issuance Requests, failure of communications media, or any other circumstances beyond the Issuing and Paying Agent's control; (c) the actions or inactions of DTC or any broker, dealer, consignee or agent not selected by the Issuing and Paying Agent; or (d) any other acts or omissions of the Issuing and Paying Agent (or of any of its agents, directors, officers, employees or correspondents) relating to this Agreement or the transactions or activities contemplated hereby except to the extent, if any, that such other acts or omissions constitute negligence or willful misconduct by the Issuing and Paying Agent (or by any of its agents, directors, officers, employees or correspondents). This Section 7.05 shall survive any termination of this Agreement and the issuance and payment of any Commercial Paper Notes.

Section 7.06. Additional Information. Upon the reasonable written request of the Commission, the City or the Banks, as applicable, the Issuing and Paying Agent agrees promptly to provide the Commission, the City or the Banks, as applicable, with information with respect to the Commercial Paper Notes, including without limitation the applicable Bank Notes, issued and paid hereunder. Such request shall be in written form and shall include the principal amount, date of issue, maturity date, interest rate and amount of interest, as applicable, of each Commercial Paper Note which has been issued or paid by the Issuing and Paying Agent and for which the request is being made.

Section 7.07. Resignation and Replacement of Issuing and Paying Agent. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this Agreement by giving at least 30 days' written notice to the Banks, the City and the Commission. The Issuing and Paying Agent may be removed, with the written consent of the Banks, which consent shall not be unreasonably withheld, at any time by an instrument signed by a Designated Representative and filed with the Issuing and Paying Agent and the Banks. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected and assumed the duties of the Issuing and Paying Agent hereunder and each Letter of Credit has been transferred to the successor Issuing and Paying Agent in accordance with its terms.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver to the Commission any moneys held by it in such capacity to its successor.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having an office in New York, New York and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America or of any state with a combined capital and surplus of at least \$50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 7.08. Dealers. The Commission hereby agrees that, at or prior to the time of issuance of any Commercial Paper Notes, the Commission will enter into a Dealer Agreement with each Dealer. The Commission covenants that at all times after the initial issuance of any

Commercial Paper Notes of a Series and prior to the Termination Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this Agreement and its Dealer Agreement.

Section 7.09. Compliance with City Requirements. The Issuing and Paying Agent hereby agrees to comply with Section 9.23 hereof.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF COMMERCIAL PAPER NOTEHOLDERS

Section 8.01. Events of Default. If one or more of the following events (herein called “Events of Default”) shall happen, that is to say --

(a) if default shall be made in the due and punctual payment of the principal of any Series of Commercial Paper Notes when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Series of Commercial Paper Notes when and as such interest installment shall become due and payable; or

(c) if the principal of any Series of Commercial Paper Note or any Bank Note shall be declared due and payable prior to the maturity thereof pursuant to the applicable Commercial Paper Note or any Bank Note or this Agreement or the applicable Reimbursement Agreement, as the case may be;

then, and in every such event, (i) if the applicable Bank is insolvent or has failed to honor a properly presented and conforming Drawing under the applicable Letter of Credit, any Holder of the applicable Series of Commercial Paper Notes at the time outstanding may, by notice to the Commission, declare the principal of such Holder’s Commercial Paper Notes, and the interest accrued thereon, to be due and payable immediately, whereupon the same shall become and shall be immediately due and payable, anything in this Agreement or in the applicable Series of Commercial Paper Notes contained to the contrary notwithstanding, and (ii)(A) so long as such Bank is not insolvent and has not failed to honor a properly presented and conforming Drawing under the applicable Letter of Credit, such Bank, on behalf of the Holders of the applicable Series of Commercial Paper Notes at the time outstanding, by notice to the Commission, may declare the principal of all outstanding Commercial Paper Notes of such Series, and the interest accrued thereon, to be due and payable immediately, whereupon the same shall become and shall be immediately due and payable, anything in this Agreement or in such Commercial Paper Notes contained to the contrary notwithstanding, and the Issuing and Paying Agent shall, to the extent the applicable Letter of Credit so provides, immediately make thereafter a Drawing under such Letter of Credit to pay the amount of interest and principal then due on the applicable Series of Commercial Paper Notes and (B) such Bank may, by notice to the Commission, declare the principal of the applicable Bank Notes, and the interest accrued thereon (and the Unpaid Drawings and Advances evidenced thereby), to be due and payable immediately, whereupon the same shall become and shall be immediately due and payable, anything in this Agreement or in the applicable

Series of Commercial Paper Notes or in the applicable Reimbursement Agreement contained to the contrary notwithstanding, *provided however*, this clause (ii) shall be of no effect if said Event of Default was caused by a failure of such Bank to honor a properly presented and conforming Drawing made on the applicable Letter of Credit in conformance with the terms hereof.

Section 8.02. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case any Holder of any Commercial Paper Note at the time outstanding and any Bank shall be entitled to proceed to protect and enforce such Holder's rights or such Bank's rights, as the case may be, by such appropriate judicial proceeding as such enforcer shall deem most effectual to protect and enforce any such right, whether by mandamus or other suit or proceeding at law or in equity, for the specific performance of any covenant or agreement contained in this Agreement, or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right. The provisions of this Agreement shall be a contract with each Bank and with each and every Holder of Commercial Paper Notes, and the duties of the Commission and of the Board shall be enforceable by any Bank (subject to Section 8.04 hereof) or any Commercial Paper Noteholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 8.03. Remedies Not Exclusive. No remedy herein conferred upon a Bank or the Holders of Commercial Paper Notes is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by such Bank (subject to Section 8.04 hereof) or the Holder of any one or more of the Commercial Paper Notes.

Section 8.04. Banks to Control Remedies. So long as the applicable Bank is not insolvent and has not failed to honor a properly presented and conforming Drawing under the applicable Letter of Credit, no remedy (other than the right of the Issuing and Paying Agent to make a Drawing under the applicable Letter of Credit) under this Agreement with respect to a Series of Commercial Paper Notes may be pursued without the prior written consent of the applicable Bank. The applicable Bank shall have the right to direct the Issuing and Paying Agent to pursue any right, power, or remedy available under this Agreement. If, at any time, more than one Bank is eligible to exercise the powers provided in this Section 8.04, the Issuing and Paying Agent must obtain the consent of all eligible Banks when the consent of a Bank is required, and the Issuing and Paying Agent need not follow any direction in accordance with the preceding sentence unless such direction is approved in writing by all eligible Banks.

Section 8.05. Waiver of Events of Default. No Event of Default with respect to the Commercial Paper Notes or the Bank Notes shall be waived pursuant to Section 8.04 unless after such waiver the Issuing and Paying Agent shall have received written confirmation from the applicable Bank both that the applicable Letter of Credit shall have been reinstated and shall be in full force and effect and that the Event of Default and the notice of Event of Default shall have been rescinded by the applicable Bank.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Supplemental Agreements. The Commission may modify or amend this Agreement and the rights and obligations of the Banks and the Holders of Commercial Paper Notes and the Commission hereunder at any time by a Supplemental Agreement, without notice to or the consent of any Bank or any Commercial Paper Noteholder, but only to make such provisions for the purpose of (i) curing any ambiguity or formal defect or omission herein, (ii) curing, correcting or supplementing any defective provision contained in this Agreement which may be inconsistent with any provision herein, or to make any other provisions with respect to matters or questions arising hereunder which shall not have a material adverse effect on the Holders or the Banks; (iii) granting or conferring upon the Holders and the Banks any additional rights, remedies, powers or authority that may be lawfully granted or conferred; (iv) securing additional revenues or providing additional security for the payment of any Commercial Paper Notes and the Bank Notes; (v) complying with requirements of the Code, in order to satisfy the covenants of Section 5.01 hereof; (vi) adding requirements the compliance of which is required by a Rating Agency in connection with issuing or maintaining a rating on the Commercial Paper Notes and (vii) making any other change or addition hereto which, in the opinion of Bond Counsel, including a change in the definition of Power Enterprise Projects, shall not have a material adverse effect on the interests of the Holders or the Banks. The Commission shall provide a copy of any such amendment to the Banks and the City promptly upon its execution.

Section 9.02. Alternate Facility. Notwithstanding anything herein to the contrary, the Commission may obtain an Alternate Facility to replace any Letter of Credit or Alternate Facility then in effect (the "Then Current Facility") hereunder so long as said Alternate Facility shall go into effect at least one Business Day prior to the termination of the Then Current Facility, and the Expiration Date with respect to such Alternate Facility shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Expiration Date set forth in the Then Current Facility. The Alternate Facility shall have a Stated Amount (as such term is used in the applicable Letter of Credit) at least as great as the Then Current Facility being replaced. The following are further conditions to the Issuing and Paying Agent's ability to release a Then Current Facility and accept an Alternate Facility:

(a) The Commission shall deliver written notice of the proposed Alternate Facility to the Issuing and Paying Agent, the applicable Bank, the City and each Dealer not less than 45 days prior to the substitution date.

(b) At least one day prior to the substitution date, there shall be delivered to the Commission and/or the Issuing and Paying Agent written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes, that such substitution will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn.

(c) At the time of the substitution, no Commercial Paper Notes shall be outstanding.

(d) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the Alternate Facility is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(e) An opinion of Bond Counsel shall be delivered to the Issuing and Paying Agent to the effect that the substitution is authorized hereunder and will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Commercial Paper Notes.

Section 9.03. Amendments to Power Bonds Indenture. The Commission hereby covenants not to make any amendment to the Power Bonds Indenture which would materially adversely affect the interest of the Holders from time to time of the Commercial Paper Notes or the Banks, unless the Commission shall have first obtained the consents to such amendments by the Banks. Upon the execution of any such amendment without the consents of the Banks, the Commission shall be required to certify that such amendment to the Power Bonds Indenture, will not have such effect.

Section 9.04. Timeliness of Deposits. Funds shall be deemed transferred for purposes of timeliness of receipt under this Agreement when transfer instructions for transfer by federal reserve wire have been given and a federal wire number confirmation has been received; *provided that* the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

Section 9.05. Defeasance of Commercial Paper Notes. A Series of Commercial Paper Notes shall not be deemed to have been paid in full, and the obligation of the Commission thereunder to have ceased, terminated and become void and completely discharged and satisfied, unless payment of the principal of, and interest on such Series of Commercial Paper Notes either (a) shall have been made or caused to be made in accordance with the terms of such Series of Commercial Paper Notes and this Agreement or (b) shall have been provided for by irrevocably depositing with the Issuing and Paying Agent in trust and irrevocably setting aside exclusively for such payment (i) Available Moneys sufficient to make such payment and/or (ii) noncallable obligations backed by the full faith and credit of the United States Government (“Government Obligations”) purchased with Available Moneys, in each case, in an amount sufficient, with reinvestment, to pay when due the principal amount of such Series of Commercial Paper Notes, including accrued interest thereon; *provided that* if payment of the principal of, and interest on such Series of Commercial Paper Notes is paid pursuant to (b) above, the Issuing and Paying Agent shall have received (x) a verification report from an independent firm of certified public accountants addressed to the Commission and the Issuing and Paying Agent, acceptable in form and substance to the Commission and the Issuing and Paying Agent verifying the sufficiency of the escrow established to pay such Series of Commercial Paper Notes in full on the maturity date, (y) an opinion of Bond Counsel addressed to the Commission and the Issuing and Paying Agent acceptable in form and substance to the Commission and the Issuing and Paying Agent to the effect that such Series of Commercial Paper Notes are no longer Outstanding under this Issuing and Paying Agent Agreement, a copy of which opinion shall be provided to each Rating Agency then maintaining a rating on such Series of Commercial Paper Notes and (z) at least one day prior to the date of such deposit, written evidence from each Rating Agency then maintaining a rating on such Series of Commercial Paper Notes, that such defeasance will not, in and of itself, result in

any rating then assigned to such Series of Commercial Paper Notes being suspended, reduced or withdrawn.

Section 9.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period; *provided, however*, that this Section 9.06 shall not apply to Bank Notes.

Section 9.07. Notices to Rating Agencies. The Commission shall provide each Rating Agency, with a copy to the City, with written notice of the occurrence of the following events: (i) removal or appointment of any Dealer (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to this Agreement or any Letter of Credit, (iv) the expiration, termination, substitution or extension of any Letter of Credit or Alternate Facility, and (v) the defeasance or acceleration of all Outstanding Commercial Paper Notes. Notice to Moody's shall be addressed as follows (or as provided in any subsequent notice to the Commission) Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Group; notice to S&P shall be addressed as follows (or as provided in any subsequent notice to the Commission) Standard and Poor's, 55 Water Street, New York, New York 10041, Attention: Public Finance Structured Group; and notice to Fitch shall be addressed as follows: Fitch Ratings, One State Street Plaza, New York, New York, 10004, Attention: Structured Finance.

Section 9.08. Issuance Requests; Addresses. Issuance Requests hereunder shall be (a) mailed, (b) telephoned, (c) transmitted by facsimile device, and/or (d) transmitted via the System described in Section 2.13 hereof to the Issuing and Paying Agent at the address, telephone number, facsimile number or through the System specified below or through the System and shall be deemed delivered upon receipt by the Issuing and Paying Agent at the address, telephone number, and/or facsimile number specified below or through the System.

U.S. Bank National Association
Attention: Millie Rolla, Assistant Vice President
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 361-6153
Facsimile: (212) 951-8512

All notices, requests, demands, including any No-Issuance Notices, Acceleration Notices, Final Drawing Notices and other communications hereunder (excluding Issuance Requests) shall be in writing and shall be deemed to have been duly given (a) upon delivery by hand (against receipt), or (b) three days after such notice, request, demand, or other communication is delivered to a United States Post Office certified mail (against receipt) or by regular mail (upon receipt) to the party and at the address set forth below or at such other address as a party may designate by written notice:

- (a) If to the Commission:

City and County of San Francisco
Public Utilities Commission
Attention: Chief Financial Officer & Assistant General Manager,
Business Services
525 Golden Gate Avenue, 13th Floor
San Francisco, California 94102
Telephone: (415) 554-3155
Facsimile: (415) 554-3161

(b) If to the City:

City and County of San Francisco
Office of Public Finance
Attention: Director of Public Finance
City Hall, Room 336
San Francisco, California 94102
Telephone: (415) 554-4862
Facsimile: (415) 554-4864

With copies to:

City and County of San Francisco
Office of the Treasurer
Attention: Treasurer
City Hall, Room 140
San Francisco, California 94102
Telephone: (415) 554-4476
Facsimile: (415) 554-4672

City and County of San Francisco
Office of the Controller
Attention: Controller
City Hall, Room 316
San Francisco, California 94102
Telephone: (415) 554-7500
Facsimile: (415) 554-7466

(c) If to the Dealers:

As set forth in the Dealer Agreements.

(d) If to the Issuing and Paying Agent:

U.S. Bank National Association
Attention: Millie Rolla, Assistant Vice President
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 361-2892
Facsimile: (212) 514-6841

(e) If to S&P

Email: pubfin_structured@standardandpoors.com.

(f) If to any Bank:

As set forth in the applicable Reimbursement Agreement.

or such other account as such Bank may from time to time designate in writing to the Commission. Notwithstanding the foregoing, any notices required to be sent or received under any Reimbursement Agreement shall be sent and received as provided therein.

Section 9.09. Reserved.

Section 9.10. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of California.

Section 9.11. Assignment; Issuing and Paying Agent's Successor in Interest. This Agreement may not be assigned by either the Commission or the Issuing and Paying Agent except by a writing or writings duly executed by the duly authorized representatives of the Commission and the Issuing and Paying Agent and approved in writing by the Bank (which approval shall not be unreasonable withheld). Anything in this Agreement to the contrary notwithstanding, any corporation or national banking association into which the Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which the Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of the Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under Section 7.07 hereof, without the execution or filing of any document or any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 9.12. Complete Agreement. This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter hereof and all prior agreements, understandings, representations, statements, promises, inducements, negotiations and undertakings between the parties with respect to said subject matter are superseded hereby.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 9.14. Section Headings. Section headings in this Agreement are for convenience of reference only, shall not constitute part of this Agreement and shall not be used to continue the meaning or intent of the provisions hereof.

Section 9.15. Waiver of Set-Off, Offset Lien or Counterclaims. The Issuing and Paying Agent hereby waives to the fullest extent possible under applicable law any and all rights of setoff, offset, lien or counterclaim it may have with respect to any amounts held by it in any subaccount of the Bank Payment Account and any subaccount of the Debt Service Account by reason of any claim it may have against the Commission, the applicable Bank or any other person.

Section 9.16. Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto and the owners of the Commercial Paper Notes and the Bank Notes, and no other person shall acquire or have any right under or by virtue hereof.

Section 9.17. Covenant of Further Assurances. It is hereby covenanted and warranted by the Commission that all representations and recitals contained in this Agreement are true and correct and that the Commission, and their appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for collection of Available Power Enterprise Revenues in accordance with law and for carrying out the provisions of this Agreement.

Section 9.18. Waiver of Personal Liability. No officer or employee of the Commission shall be individually or personally liable for the payment of the Commercial Paper Notes or the Bank Notes, but nothing contained herein shall relieve any officer or employee of the Commission from the performance of any official duty provided by any applicable provision of law or hereby.

Section 9.19. Acquisition of the Commercial Paper Notes by the Commission. All Commercial Paper Notes acquired by the Commission, whether by purchase or gift or otherwise, shall be surrendered to the Issuing and Paying Agent for cancellation.

Section 9.20. Notice by Mail. With respect to Commercial Paper Notes, any notice required to be given hereunder by mail to the Holders shall be given by mailing a copy of such notice, first-class postage prepaid, to the Holders of all the Commercial Paper Notes at their addresses appearing in the books required to be kept by the Issuing and Paying Agent pursuant to the provisions of this Agreement.

Section 9.21. Partial Invalidity. If any one or more of the conditions, covenants or terms contained herein or required herein to be observed or performed by or on the part of the Commission, the Issuing and Paying Agent or the Banks shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and void and shall be deemed separable from the remaining conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Commercial Paper Notes, and the Holders and the Banks shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Commission declares that it would have executed and delivered this Agreement and each and every other article, section, paragraph, subdivision,

sentence, clause and phrase hereof and would have authorized the execution and delivery of the Commercial Paper Notes pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 9.22. Reference to the Banks. Notwithstanding any provisions contained herein to the contrary, after the expiration or termination of any Letter of Credit or Alternate Facility, by its terms (or if any Bank shall have failed to honor a properly presented and conforming Drawing under the applicable Letter of Credit or Alternate Facility), and after all obligations owed to the applicable Bank pursuant to the applicable Letter of Credit or Alternate Facility and the applicable Reimbursement Agreement (other than the right to indemnification and other rights which purport to survive satisfaction of present payment obligations) have been paid in full or discharged, all references to the applicable Bank contained herein shall be null and void and of no further force and effect.

Section 9.23. City Requirements. Each Bank hereby agrees to the City's requirements, as provided in Exhibit E attached hereto and incorporated hereby by this reference.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By: _____
Authorized Officer

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: _____
Harlan L. Kelly, Jr.
General Manager

Approved as to Form:

DENNIS J. HERRERA
City Attorney of the City and
County of San Francisco

By: _____
Mark D. Blake
Deputy City Attorney

Acknowledged:
ANNA VAN DEGNA
Director of Public Finance of the City
and County of San Francisco

By: _____
Director of Public Finance

BENJAMIN ROSENFELD
Controller of the City and
County of San Francisco

By: _____
Controller

EXHIBIT A

FORM OF POWER ENTERPRISE SERIES [A-1][A-2] MASTER NOTE

Unless this certificate is presented by an authorized representative of The Depository Trust Company (“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 such other name as 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 officer of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the Registered Owner hereof, CEDE & CO., has an interest herein.

PUBLIC UTILITIES COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMERCIAL PAPER NOTES
(POWER SERIES)
SERIES [A-1][A-2] (TAX-EXEMPT)

No. DTC Master Note 1

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$125,000,000 Outstanding

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 (hereinafter called the “Commission”), for value received, hereby promises to pay (but only out of the Available Power Enterprise Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Commission (the “Underlying Records”) as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”). Interest shall be calculated on the basis of the actual number of days elapsed and a year consisting of 365 or 366 days, as applicable, at the rate specified on the Underlying Records. Payments shall be made solely from Available Power Enterprise Revenues (as defined in the Agreement referred to hereinafter) and payments of Drawings under an irrevocable direct pay Letter of Credit of [Bank of America, N.A.][Sumitomo Mitsui Banking Corporation, acting through its New York Branch,][Alternate Facility Bank] to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of San Francisco Public Utilities Commercial Paper Notes (hereinafter called the “Obligations”) of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate principal amount and consists of varying denominations, dates, maturities, interest rates

and other provisions, as in the Agreement hereinafter mentioned provided, all obligations issued and to be issued 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.

This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the “Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series [A-1][A-2] (Tax-Exempt)” which is limited to \$125,000,000 in aggregate principal amount. This Master Commercial Paper Note has been issued pursuant to the First Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”), dated as of December 1, 2018, by and between the Commission and the Issuing and Paying Agent, which Agreement provides for the issuance of the Obligations.

Reference is hereby made to the Agreement for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Available Power Enterprise Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the Obligations; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Available Power Enterprise Revenues and the funds and accounts pledged under the Agreement derived by the Commission from the Power Enterprise (as those terms are defined in the Agreement).

The obligation of the Commission to pay the registered owners from time to time of Commercial Paper Notes shall be only from Available Power Enterprise Revenues and the funds and accounts pledged under the Agreement. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Master Commercial Paper Note or the interest hereon.

At the request of the registered owner, the Commission shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

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

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Master Commercial Paper Note, together with all other indebtedness of the Commission pertaining to the Power Enterprise, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of Commission.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its General Manager and countersigned by its Secretary, and the seal of said Public Utilities Commission of the City and County to be imprinted or reproduced by facsimile hereon, and this Master Commercial Paper Note to be dated as of the [] day of December, 2018.

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

By _____
Harlan L. Kelly, Jr.
General Manager

[SEAL]

Countersigned

By _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: December [__], 2018

U.S. BANK NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Name, address, and Taxpayer Identification Number of Assignee)

this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Commercial Paper Note on the books of the Commission with full power of substitution in the premises.

Dated:
Signature(s) Guaranteed

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Commercial Paper Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this Master Commercial Paper Note 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 Master Commercial Paper Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (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.

EXHIBIT B

CERTIFICATE OF DESIGNATED REPRESENTATIVES

I am the General Manager of the Public Utilities Commission of the City and County of San Francisco (the “Commission”) duly authorized pursuant to the First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018 (the “First Amended and Restated Issuing and Paying Agent Agreement”), between the Commission and U.S. Bank National Association relating to the Public Utilities Commission of the \$125,000,000 City and County of San Francisco Commercial Paper Notes (Power Series) Series A-1 (the “Series A-1 Notes”), and the \$125,000,000 City and County of San Francisco Commercial Paper Notes (Power Series) Series A-2 (the “Series A-2 Notes” and, together with the Series A-1 Notes, the “Commercial Paper Notes”), to appoint Designated Representatives of the Commission in connection with the issuance, from time to time, by the Commission of the Commercial Paper Notes in accordance with the First Amended and Restated Issuing and Paying Agent Agreement.

I hereby designate the following persons to act on my behalf in accordance with the First Amended and Restated Issuing and Paying Agent Agreement and with respect to actions taken under the following agreements relating to the Commercial Paper Notes, the signatures of which persons are set forth beside their names: (i) the First Amendment to Reimbursement Agreement relating to the Series A-1 Notes, dated December [___], 2018, by and between the Commission and Bank of America, N.A., (ii) the Fee Letter relating to the Series A-1 Notes, dated December [___], 2018, by and between the Commission and Bank of America, N.A., (iii) the Reimbursement Agreement relating to the Series A-2 Notes, dated December [___], 2018, by and between the Commission and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“SMBC”), (iv) the Fee Letter relating to the Series A-2 Notes, dated December [___], 2018, by and between the Commission and SMBC, and (v) the Amended Dealer Agreements, each dated as of December 1, 2018, by and between the Commission and each of RBC Capital Markets, LLC, Goldman, Sachs & Co. and Barclays Capital Inc.

<u>Designated Persons</u>	<u>Title</u>	<u>Specimen Signature</u>
Eric Sandler	Chief Financial Officer and Assistant General Manager, Business Services	_____
Charles Perl	Deputy Chief Financial Officer, Financial Services	_____
Richard Morales	Debt Manager, Financial Planning	_____
Michael Brown	Utility Specialist, Financial Planning	_____
Benjamin Rosenfield	Controller of the City and County of San Francisco	_____
Anna Van Degna	Director of Public Finance	_____

EXECUTED THIS DECEMBER [], 2018.

PUBLIC UTILITIES COMMISSION
OF THE CITY AND COUNTY OF
SAN FRANCISCO

By: _____
Harlan L. Kelly, Jr.
General Manager

EXHIBIT C

FORM OF ISSUANCE REQUEST

Date: _____

Request Number: _____

The undersigned, a Designated Representative of the Public Utilities Commission of the City and County of San Francisco (the “Commission”) does hereby request U.S. Bank National Association as Issuing and Paying Agent (the “Issuing and Paying Agent”) under the First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018 (the “Agreement”) between the Commission and the Issuing and Paying Agent, to issue the Commission’s Commercial Paper Notes, as follows:

1. Series Designation:
2. Date of Issuance:
3. Principal Amount: \$
4. Purchase Price for Commercial Paper Notes (not less than par): \$
5. Term of Commercial Paper Notes:
6. Rate of Interest:
7. Amount of Interest payable through maturity:
8. Maturity (specified actual date and number of days):
9. Total principal amount of Commercial Paper Notes outstanding (including this request and excluding any Commercial Paper Notes maturing as of even date hereof) not to exceed \$125,000,000:
10. Amount of Principal Portion of then available under the Letter of Credit (excluding this request):
11. Stated Expiration Date of the Letter of Credit:
12. Is this issuance authorized pursuant to Section 8B.124 of the Charter of the City and County of San Francisco (the “City”)? Yes No

If yes, the following box must be checked:

- All required certifications pursuant to Section 8B.124 of the Charter of the City have been filed with the Clerk of the Board of Supervisors of the City.

The delivery of this Issuance Request constitutes a certification and representation of the Commission as of the date hereof as to the matters set forth in Section 2.06(b) of the Agreement, and reproduced on Attachment A hereto.

All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement.

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: _____
Designated Representative

ACKNOWLEDGED:

Director of Public Finance of the City and
County of San Francisco

ATTACHMENT A

COMMISSION CERTIFICATIONS

- (i) the Letter of Credit is in full force and effect;
- (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding as provided in Section 2.01(b) of the Agreement;
- (iii) the interest rates borne by the Commercial Paper Notes to be delivered on such date do not exceed the lesser of the Maximum Interest Rate or the rate used in calculating the applicable Interest Portion of the Letter of Credit;
- (iv) the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date;
- (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Business Day immediately preceding the Stated Expiration Date of the Letter of Credit or the latest maturity date allowed by the Ordinances;
- (vi) the Commission has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereof delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealers has been delivered;
- (vii) no Event of Default has occurred and is then continuing; and
- (viii) all of the conditions precedent to the issuance of such Commercial Paper Notes, including the consent of the Director of Public Finance, or his or her designee, to the delivery of such Issuance Request, set forth in Section 2.06 of the Agreement have been satisfied.

EXHIBIT D

**SCHEDULE OF FEES AND EXPENSES FOR
ISSUING AND PAYING AGENT SERVICES**



U.S. BANK NATIONAL ASSOCIATION

**Schedule of Fees
for Services as
Issuing and Paying Agent
for**

**The Public Utilities Commission of the City and County of San Francisco
Commercial Paper Notes (Power Series A-1 and A-2)**

Initial Acceptance Fee Per Series:

WAIVED

To cover the acceptance of appointment as Issuing and Paying Agent for the Commercial Paper Notes, the study and consideration of the various drafts of the documents related to the execution and delivery thereof, communication and coordination with the Issuer, Dealers, Depository Trust Company and other agents and members of the working group, establishing the account on the corporate trust records of the Issuing and Paying Agent and related Depository Trust Company fees. Payable at the closing.

Annual Administration Fee Per Series:

\$1,980.00

To cover the normal administrative functions of the Issuing Agent and Paying Agent for the Notes, including maintenance of the record of Notes issued, and continuing communication with the Issuer, Dealers and the Depository Trust Company. The administration fee is payable annually in advance.

Transaction Fees

\$19.00

Payable quarterly in arrears.

Book Entry Issuance, per trade...

Includes:

- Wire charges (proceeds and payments)
- Current DTC charges
- Computer maintenance fees
- Collateral charges
- Periodic reports
- Tax reporting

Out-of-Pocket Expenses:

AT COST

Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and Cusip Bureau fees

NOTE: No minimum fees apply.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to the client directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust, or other legal entity, we ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

ACKNOWLEDGEMENT:

Please sign below to acknowledge our agreement that all fees concerning the various duties of U.S. Bank National Association, listed above, will be governed by this schedule.

EXHIBIT E

CITY REQUIREMENTS

(a) *Tropical Hardwood and Virgin Redwood Ban.* The City 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.

(b) *Nondiscrimination: Penalties.*

(i) *Issuing and Paying Agent Shall Not Discriminate.* In the performance of this Agreement, the Issuing and Paying Agent agrees not to discriminate against any employee, City and County employee working with the Issuing and Paying Agent or subcontractor, applicant for employment with the Issuing and Paying Agent 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, or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(ii) *Subcontracts.* The Issuing and Paying Agent shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Sections 12B.2(a), 12B.2(c)-(k) and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. The Issuing and Paying Agent's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(iii) *Non-Discrimination in Benefits.* The Issuing and Paying Agent does not as of the date of this Agreement and will not during the term of this Agreement, 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 Section 12B.2(b) of the San Francisco Administrative Code.

(iv) *HRC Form.* The Issuing and Paying Agent shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(v) *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 Agreement as though fully set forth herein. The Issuing and Paying Agent shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the San Francisco Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Issuing and Paying Agent understands that pursuant to Section 12B.2(h) 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 Agreement may be assessed against the Issuing and Paying Agent and/or deducted from any payments due the Issuing and Paying Agent; *provided, however*, that such damages shall not be set off against the payment of rental or other contract related to Commercial Paper Notes or other debt obligations of the City.

(c) *Limitations on Contributions.* Through execution of this Agreement, the Issuing and Paying Agent 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, including the Commission, 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 (A) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (B) a candidate for the office held by such individual, or (C) 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 Issuing and Paying Agent acknowledges that the foregoing restriction applies only if the contract or 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 Issuing and Paying Agent further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Issuing and Paying Agent's board of directors; the Issuing and Paying Agent'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 Issuing and Paying Agent; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Issuing and Paying Agent. Additionally, the Issuing and Paying Agent acknowledges that the Issuing and Paying Agent must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 of the City's Campaign and Governmental Conduct Code.

(d) *MacBride Principles - Northern Ireland.* Pursuant to San Francisco Administrative Code Section 12F.5, the City 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 urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Issuing and Paying Agent acknowledges and agrees that he or she has read and understood this section.

(e) *Conflict of Interest.* Through its execution of this Agreement, the Issuing and Paying Agent hereby acknowledges that it is familiar with the provision 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 constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

(f) *Earned Income Credit ("EIC") Forms.* San Francisco 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.

(i) The Issuing and Paying Agent shall provide EIC Forms to each Eligible Employee at each of the following times: (A) within thirty days following the date on which this Agreement becomes effective (unless the Issuing and Paying Agent has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (B) promptly after any Eligible Employee is hired by the Issuing and Paying Agent; and (C) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(ii) Failure to comply with any requirement contained in the immediately preceding paragraph shall constitute a material breach by the Issuing and Paying Agent of the terms of this Agreement. If, within thirty days after the Issuing and Paying Agent receives written notice of such a breach, the Issuing and Paying Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Issuing and Paying Agent 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 Agreement or under applicable law.

(iii) Any subcontract entered into by the Issuing and Paying Agent shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(iv) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

(g) *Local Business Enterprise Utilization; Liquidated Damages.*

(i) *The LBE Ordinance.* The Issuing and Paying Agent shall comply with all the requirements of the Disadvantaged Business Enterprise 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 Issuing and Paying Agent's obligations or liabilities, or materially diminish the Issuing and Paying Agent's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. The Issuing and Paying Agent's willful

failure to comply with any applicable provisions of the LBE Ordinance is a material breach of the Issuing and Paying Agent's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, the Issuing and Paying Agent shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(ii) *Compliance and Enforcement.* If the Issuing and Paying Agent 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 Agreement pertaining to LBE participation, the Issuing and Paying Agent shall be liable for liquidated damages in an amount equal to the Issuing and Paying Agent's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against the Issuing and Paying Agent authorized in the LBE Ordinance, including declaring the Issuing and Paying Agent to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Issuing and Paying Agent's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to the San Francisco Administrative Code Section 14B.17.

By entering into this Agreement, the Issuing and Paying Agent acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. The Issuing and Paying Agent further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Issuing and Paying Agent on any contract with City.

The Issuing and Paying Agent 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 Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(h) *Drug-Free Workplace Policy.* The Issuing and Paying Agent 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 Commission or City premises. The Issuing and Paying Agent agrees that any violation of this prohibition by the Issuing and Paying Agent, its employees, agents or assigns will be deemed a material breach of this Agreement.

(i) *Compliance with Americans with Disabilities Act.* The Issuing and Paying Agent 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 Issuing and Paying Agent shall provide

the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Issuing and Paying Agent agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Issuing and Paying Agent, its employees, agents or assigns will constitute a material breach of this Agreement.

(j) *Sunshine Ordinance.* In accordance with San Francisco Administrative Code Section 67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the Commission or the 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.

(k) *Requiring Minimum Compensation for Covered Employees.*

(i) The Issuing and Paying Agent 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 Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Issuing and Paying Agent's obligations under the MCO is set forth in this Section. The Issuing and Paying Agent is required to comply with all the provisions of the MCO, irrespective of this listing of obligations in this Section.

(ii) The MCO requires the Issuing and Paying Agent to pay the Issuing and Paying Agent'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 Issuing and Paying Agent is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Issuing and Paying Agent 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 Issuing and Paying Agent's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against the Issuing and Paying Agent.

(iii) The Issuing and Paying Agent 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.

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

(v) The City is authorized to inspect the Issuing and Paying Agent's job sites and conduct interviews with employees and conduct audits of the Issuing and Paying Agent.

(vi) The Issuing and Paying Agent's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. 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 Issuing and Paying Agent fails to comply with these requirements. The Issuing and Paying Agent 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 Issuing and Paying Agent's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(vii) The Issuing and Paying Agent 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 the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Issuing and Paying Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Issuing and Paying Agent 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.

(viii) The Issuing and Paying Agent 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.

(ix) The City may conduct random audits of the Issuing and Paying Agent. Random audits shall be (A) noticed in advance in writing; (B) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (C) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten days of the written notice; and (D) limited to one audit of the Issuing and Paying Agent every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

(l) *Requiring Health Benefits for Covered Employees.* Unless exempt, the Issuing and Paying Agent 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 Agreement as though fully set forth herein. The text of the HCAO is available on the web at <http://www.sfgov.org/lwlh.htm>. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

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

(ii) Notwithstanding the above, if the Issuing and Paying Agent is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with part (i) above.

(iii) The Issuing and Paying Agent's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Issuing and Paying Agent if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, the Issuing and Paying Agent fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Issuing and Paying Agent fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(iv) Any subcontract entered into by the Issuing and Paying Agent 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 Issuing and Paying Agent 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 Issuing and Paying Agent shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Issuing and Paying Agent based on the subcontractor's failure to comply, *provided* that City has first provided the Issuing and Paying Agent with notice and an opportunity to obtain a cure of the violation.

(v) The Issuing and Paying Agent shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to the Issuing and Paying Agent'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.

(vi) The Issuing and Paying Agent 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.

(vii) The Issuing and Paying Agent 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 the City Contract.

(viii) The Issuing and Paying Agent shall keep itself informed of the current requirements of the HCAO.

(ix) The Issuing and Paying Agent 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.

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

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

(xii) The City may conduct random audits of the Issuing and Paying Agent to ascertain its compliance with HCAO. The Issuing and Paying Agent agrees to cooperate with City when it conducts such audits.

(xiii) If the Issuing and Paying Agent is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Issuing and Paying Agent later enters into an agreement or agreements that cause the Issuing and Paying Agent's aggregate amount of all agreements with 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 agreements between the Issuing and Paying Agent and the City to be equal to or greater than \$75,000 in the fiscal year.

(m) *Prohibition on Political Activity with City Funds.* In accordance with San Francisco Administrative Code Chapter 12.G, the Issuing and Paying Agent 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 Agreement. The Issuing and Paying Agent 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 Issuing and Paying Agent violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Issuing and Paying Agent from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Issuing and Paying Agent's use of profit as a violation of this section.

(n) *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 its residents, and to prevent the further spread of graffiti.

The Issuing and Paying Agent shall remove all graffiti from any real property owned or leased by such Issuing and Paying Agent in the City and County of San Francisco within forty eight (48) hours of the earlier of such Issuing and Paying Agent's (i) discovery or notification of the graffiti or (ii) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require any Issuing and Paying Agent to breach any lease or other agreement 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: (A) 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 (B) 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. Section 101 et seq.).

Any failure of the Issuing and Paying Agent to comply with this Section of this Agreement shall constitute a material breach of this Agreement.

(o) *Food Service Waste Reduction Requirements.* The Issuing and Paying Agent 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 Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Issuing and Paying Agent agrees that if it breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Issuing and Paying Agent 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 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 Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of such Issuing and Paying Agent's failure to comply with this provision.

(p) *Preservative-treated Wood Containing Arsenic.* The Issuing and Paying Agent may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement 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 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 Issuing and Paying Agent 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 Issuing and Paying Agent 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.

(q) *Nondisclosure of Private Information.* The Issuing and Paying Agent agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the “*Nondisclosure of Private information Ordinance*”), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, the Issuing and Paying Agent agrees to all of the following:

(i) Neither the Issuing and Paying Agent nor any of its Subcontractors shall disclose Private Information obtained from the City in the performance of this Agreement to any other Subcontractor, person, or other entity, unless one of the following is true:

(1) the disclosure is authorized by this Agreement;

(2) the Issuing and Paying Agent received advance written approval from the Contracting Department to disclose the information; or

(3) the disclosure is required by law or judicial order.

(ii) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(iii) Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(iv) Any failure of the Bark to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar the Issuing and Paying Agent, or bring a false claim action against the Issuing and Paying Agent.

(r) *Proprietary or Confidential Information of City.* The Issuing and Paying Agent agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations, (g) with the consent of the City or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Issuing and Paying Agent on a nonconfidential basis from a source other than the City. For the purposes of this Section, "Information" means all information received from the City relating to the City or its business, other than any such information that is available to the Issuing and Paying Agent on a nonconfidential basis prior to disclosure by the City; *provided* that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(s) *Submitting False Claims; Monetary Penalties.* Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. 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: (i) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (ii) 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; (iii) conspires to defraud the City by getting a false claim allowed or paid by the City; (iv) 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 (v) 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.

(t) *Subcontracting.* Except as otherwise provided in this Agreement, the Issuing and Paying Agent is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, 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.

(u) *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.

(v) *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 Issuing and Paying Agent contained in this Exhibit E to this Agreement.