

**FIRST AMENDMENT TO  
REIMBURSEMENT AGREEMENT**

**BY AND BETWEEN**

**PUBLIC UTILITIES COMMISSION  
OF THE CITY AND COUNTY OF SAN FRANCISCO**

**AND**

**BANK OF AMERICA, N. A**

**DATED: December \_\_, 2018**

## **FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT**

This **FIRST AMENDMENT to REIMBURSEMENT AGREEMENT**, dated December \_\_, 2018 (this "**Amendment**"), is by and between the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the "**Commission**") and BANK OF AMERICA, N.A. (the "**Bank**"). Terms used herein with initial capital letters and not otherwise defined shall have the respective meanings attributed thereto in the Agreement (as defined below).

### **RECITALS**

WHEREAS, the Commission and the Bank entered into the Reimbursement Agreement, dated as of December 1, 2015 (the "**Original Agreement**") and a Fee Agreement dated December 17, 2015 (the "**2015 Fee Agreement**") pursuant to which the Bank agreed to provide support for the payment of and interest on the Commission's Commercial Paper Notes (Power Revenues) Series A-1 (the "**Notes**"), by issuing a letter of credit (the "**2015 Letter of Credit**"); and

WHEREAS, on June 5, 2018, the voters of the City and County of San Francisco (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 for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities under the jurisdiction of the Commission; and

WHEREAS, the Stated Expiration Date of the 2015 Letter of Credit is currently December 18, 2018, and the Commission has requested that the Bank extend the term of the Original Agreement and make other changes to the Original Agreement; and

WHEREAS, the Commission and the Bank now desire to, among other things, (i) extend the Stated Expiration Date from December 17, 2018 to December 17, 2021, (ii) make certain additional amendments to the Original Agreement, including increasing the Stated Amount from \$97,989,042 to \$136,095,891, (iii) issue a new letter of credit (the "**New Letter of Credit**") to increase the Stated Amount from \$97,989,042 to \$136,095,891 and extend the Stated Expiration Date, (iv) execute a new Bank Note to reflect the increase in the Stated Amount, and (v) execute a new fee agreement to document certain pricing changes (the "**New Fee Agreement**"); and

NOW, THEREFORE, in consideration of the respective agreements contained herein and in the Original Agreement, and intending to be legally bound, the Commission and the Bank hereby agree as follows.

### **ARTICLE I. INTENTION OF PARTIES, AGREEMENT PROVISIONS.**

The Commission and the Bank have entered into this Amendment pursuant to Section 2.12 and Section 7.1 of the Original Agreement and the New Fee Agreement to, among other things, extend the Stated Expiration Date and change other terms set forth in the Original Agreement to, among other things, extend the Stated Expiration Date and amend other terms set

forth in the Original Agreement, to reflect the delivery of the New Fee Agreement to replace the 2015 Fee Agreement and to reflect the delivery of the New Letter of Credit to replace the 2015 Letter of Credit. The terms of the Original Agreement, as amended by this Amendment (as so amended, the “**Agreement**”), shall govern the rights and obligations of the Commission, and the Bank in connection with the transactions contemplated by the Agreement.

**ARTICLE II. AMENDMENTS.** The Original Agreement is hereby amended as follows:

- (a) The definition of “Fee Agreement” in Section 1.1 of the Original Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

“ ‘Fee Agreement’ means that certain Fee Agreement dated the First Amendment Effective Date, between the Commission and the Bank, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof.”

- (b) The definition of “Program Size” in Section 1.1 of the Original Agreement is hereby amended by deleting the “\$90,000,000” therein and replacing it with “\$125,000,000”.

- (c) There is hereby added to Section 1.1 of the Original Agreement each of the following definitions, each of which is to be situated alphabetically:

“ ‘First Amendment’ means that certain First Amendment to the Reimbursement Agreement, dated December \_\_, 2018, between the Commission and the Bank.”

“ ‘First Amendment Effective Date’ means December \_\_, 2018.”

- (d) The amount of “\$97,989,042” shall be changed to “\$136,095,891” in every place it appears.

- (e) Section 7.2 is hereby amended by deleting the information regarding the Bank after “In the case of communications to the Bank with respect to drawings under the Letter of Credit” and replacing it with the following:

“Bank of America, N.A  
WA1-501-34-03  
800 5<sup>th</sup> Ave  
Seattle, WA 98104  
Attention: Satinder Parwana  
Telephone: 206-358-6055  
Email: [satinder.parwana@baml.com](mailto:satinder.parwana@baml.com)”

- (f) “Schedule I – Form of Letter of Credit” of the Original Agreement is hereby deleted in its entirety and replaced with “Schedule I – Form of Letter of Credit” attached to this Amendment.

- (g) “Exhibit A – Form of Bank Note” of the Original Agreement is hereby deleted in its entirety and replaced with “Exhibit A – Form of Bank Note” attached to this Amendment.

**ARTICLE III. CONDITIONS TO DELIVERY OF THIS AMENDMENT.**

The amendments to the Original Agreement provided for in Article II hereof shall become effective on the First Amendment Effective Date; *provided* that each of the following conditions shall be fulfilled to the satisfaction of the Bank:

(a) Documentation:

- (i) An executed counterpart of this Amendment, each signed by the Commission and the Bank;
- (ii) A new Bank Note substantially in the form of Exhibit A hereto and confirmation that the CUSIP number remains the same and the rating of the Bank Note has been updated;
- (iii) Confirmation that the Issuing and Paying Agent has received the New Letter of Credit;
- (iv) Authorization of the Commission with respect to this Amendment and the related documents hereto;
- (v) Opinion of counsel to the Commission regarding due authorization and execution of this Amendment in form and substance acceptable to the Bank and that the Agreement, Bank Note and the New Fee Agreement constitute the legal, valid and binding obligations of the Commission and each such document is enforceable against the Commission in accordance with its terms;
- (vi) The Commission shall have paid or made arrangements for payment of all costs and expenses incurred by the Bank in connection with this transaction, including without limitation reasonable attorney’s fees; provided, that the Commission shall pay the Bank’s attorney’s fees (which shall not exceed \$15,000) within 30 days following its receipt of an invoice from such counsel; and
- (vii) All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and the execution and delivery hereof by the Bank shall constitute conclusive evidence that all such legal matters have been completed to the satisfaction of the Bank.

(b) Representations and Warranties True.

- (A) The representations and warranties of the Commission contained in Article 4 of the Original Agreement and in this Amendment shall be true

and correct with the same effect as though made on and as of the First Amendment Effective Date, except to the extent a representation or warranty relates specifically to an earlier date (in which case, such representation and warranty shall be true and correct as of such date) and except that the representations in Section 4.6 of the Original Agreement refers to the Commission's 20[17] financial statements (instead of the 2014 financial statements) which has been previously provided to the Bank.

(ii) In addition to the foregoing representations, the Commission hereby represents and warrants as follows:

(A) The execution, delivery and performance by the Commission of this Amendment are within its powers, have been duly authorized by all necessary actions and do not contravene any law or any contractual restriction binding on the Commission;

(B) No further authorization, approval or other action by, and no notice or filing, is required for the due execution, delivery and performance by the Commission of this Amendment that has not been received as of the First Amendment Effective Date; and

(C) The Commission has provided, or will cause to have provided, written notice of this Amendment to the Issuing and Paying Agent, the Dealers and the Rating Agencies.

(c) Absence of Certain Events. (i) On or prior to the First Amendment Effective Date, there shall not have occurred any material adverse change in the affairs, condition and/or operations, financial or otherwise, of the Commission since the date of the Commission's fiscal year ended 20[17] audited financial statements; (ii) on or prior to the First Amendment Effective Date, no change shall have occurred in any law, rule or regulation or in any interpretation thereof that, in the opinion of the Bank, would make it illegal for the Bank to execute and deliver this Amendment; and (iii) no event has occurred which constitutes an Event of Default under the Original Agreement.

(d) Bank Representations and Acknowledgements. (i) The Bank hereby represents that, as of the First Amendment Effective Date, it has no knowledge of any Change in Law that would result in increased costs; (ii) the Bank hereby acknowledges that the Commission is executing a 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 Sumitomo, as amended, supplemented, modified and restated from time to time, and any similar document entered into with respect to an Alternate Facility supporting the Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-2 (the "Series A-2 Notes"); (iii) the Bank hereby acknowledges that in connection with this Amendment and the Series A-2, the Commission, the Dealers and the Issuing and Paying

Agent are executing amendments and restatements to the Dealer Agreement and the Issuing and Paying Agent Agreement.

ARTICLE IV. MISCELLANEOUS.

(a) The parties hereto acknowledge and confirm that, from and after the First Amendment Effective Date, any reference in the Original Agreement or in the other Related Documents to the “Agreement” shall mean and refer to the Original Agreement as amended hereby.

(b) Except as provided herein, the Original Agreement shall remain in full force and effect and unaffected hereby except, as set forth herein, from and after the First Amendment Effective Date.

(c) This Amendment and the Original Agreement, as amended hereby, shall be subject to Section 7.14 of the Agreement. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(d) This Amendment may be executed in one or more counterparts, each of which taken together shall constitute one original and all of which shall constitute one and the same instrument.

*[Remainder of page intentionally left blank; signature pages to follow.]*

**IN WITNESS WHEREOF**, the parties have duly executed this Amendment as of the day and year first above written.

**PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO**

By: \_\_\_\_\_  
Name:  
Title:

APPROVED AS TO FORM:

[\_\_\_\_\_]   
[City Attorney of the City and  
County of San Francisco]

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGED:

By: \_\_\_\_\_  
Name:  
Title:

**BANK OF AMERICA, N.A.**

By: \_\_\_\_\_  
Name:  
Title:

APPENDIX I

FORM OF LETTER OF CREDIT

APPENDIX I

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT

**BANK OF AMERICA, N.A.  
1 FLEET WAY  
PA6-580-02-30  
SCRANTON, PENNSYLVANIA 18507**

December \_\_, 2018

U.S. \$136,095,891

No. 68122730

U.S. Bank National Association,  
as Issuing and Paying Agent  
100 Wall Street, 16<sup>th</sup> Floor  
New York, New York 10005  
Attention: Millie Rolla

Ladies and Gentlemen:

We hereby establish in your favor as issuing and paying agent (the “*Issuing and Paying Agent*”) under that certain First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the “*Issuing and Paying Agent Agreement*”), between the Public Utilities Commission of the City and County of San Francisco (the “*Commission*”) and the Issuing and Paying Agent for the benefit of the holders of the Series A-1 Notes (as hereinafter defined) our Irrevocable Transferable Letter of Credit No. 68122730 (as amended, supplemented, restated or otherwise modified from time to time, this “*Letter of Credit*”) for the account of the Commission, whereby we hereby irrevocably authorize you to draw on us from time to time, from and after the date hereof to and including the earliest to occur of our close of business on: (i) December \_\_, 2021, (as extended from time to time, the “*Stated Expiration Date*”), (ii) the later of the date on which we receive a written certificate from you in the form of Annex C attached hereto that an Alternate Facility has been substituted for this Letter of Credit in accordance with the Issuing and Paying Agent Agreement and the effective date of any such Alternate Facility as specified in such notice (after we honor any properly presented and conforming Drawing (as defined below) on such date), (iii) the date on which we receive a written certificate from you in the form of Annex F attached hereto that there are no longer any Series A-1 Notes Outstanding within the meaning of the Issuing and Paying Agent Agreement and that you elect to terminate this Letter of Credit, (iv) the earlier of (a) the fifteenth (15th) calendar day after the date on which you receive notice from us in the form of Annex H (the “*Final Drawing Notice*”), and (v) the earlier of (a) the third (3rd) Business Day after the date on which you receive notice from us in the form of Annex I (the “*Acceleration Notice*”) and (b) the date on which the Drawing resulting from the delivery of the Acceleration Notice is honored hereunder (the earliest of the foregoing dates herein referred to



as the “*Termination Date*”), a maximum aggregate amount not exceeding \$136,095,891 (the “*Original Stated Amount*”) to pay the unpaid principal amount of, and accrued interest on, the Commission’s Commercial Paper Notes (Power Series) Series A-1 (Tax-Exempt) (the “*Series A-1 Notes*”), in accordance with the terms hereof (said \$136,095,891 having been calculated to be equal to (A) \$90,000,000, the maximum aggregate principal amount of the Series A-1 Notes which may be issued pursuant to the Issuing and Paying Agent Agreement, plus (B) \$7,989,042 which is 270 days’ accrued interest on said principal amount of the Series A-1 Notes at the rate of 12% per annum (the “*Cap Interest Rate*”) and assuming a year of 365 days and rounded up to the nearest dollar. This credit is available to you against presentation of the following documents (the “*Payment Documents*”) presented to the Bank:

A certificate (with all blanks appropriately completed) (i) in the form attached as Annex A hereto with respect to the payment at maturity of the principal of and interest at maturity on Series A-1 Notes, and (ii) in the form attached as Annex B hereto with respect to the payment at maturity of the principal of and interest to maturity on Series A-1 Notes and that otherwise mature on or after the date that you receive the Final Drawing Notice, each certificate to state therein that it is given by your duly authorized officer and dated the date such certificate is presented hereunder (each such completed and executed certificate, a “*Drawing*”). No Drawings shall be made under this Letter of Credit for (i) Series A-1 Notes bearing registered in the name of the Bank or its nominee or (ii) Series A-1 Notes owned by or on behalf of the Commission (“*Ineligible Series A-1 Notes*”).

All drawings shall be made by presentation of each Payment Document at Bank of America, N.A., Scranton, at telecopier number (800) 755-8743, Attention: Standby Letter of Credit Department, without further need of documentation, including the original of this Letter of Credit, it being understood that each Payment Document so submitted is to be the sole operative instrument of a Drawing. You shall use your best efforts to give telephonic notice of a drawing to the Bank at (800) 370-7519 OPT 1 on the Business Day preceding the day of such drawing (but such notice shall not be a condition to drawing hereunder and you shall have no liability for not doing so).

We agree to honor and pay the amount of any Drawing if presented in compliance with all of the terms of this Letter of Credit to the following account: U.S. Bank National Association, ABA # 091-000-022, A/C# 1731-0185-1827, A/C NAME: U.S. Trust, Attn: Rosalyn Callender, Reference: Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Power Series) Series A-1 (Tax-Exempt) (such account, the “*Beneficiary Payment Account*”). If any such Drawing is presented at or prior to 11:30 A.M., New York time, on a Business Day, payment shall be made, in immediately available funds, by 2:30 P.M., New York time, on the same Business Day. If any such Drawing is presented after 11:30 A.M., New York time, on a Business Day, payment shall be made, in immediately available funds, by 2:30 P.M., New York time, on the next succeeding Business Day. “*Business Day*” shall mean any day other than (a) a Saturday or Sunday, (b) a day on which banks located in the cities in which the designated office of the Issuing and Paying Agent or the Bank (initially, Scranton, Pennsylvania) is located are required or authorized to close, or (c) a day on which the New York Stock Exchange is required or authorized to close.

The Stated Amount (as hereinafter defined) of this Letter of Credit will be reduced automatically by the amount of any drawing hereunder. In connection therewith (except in the case of

a Drawing resulting from the delivery of a Final Drawing Notice or the Acceleration Notice), the Stated Amount will be increased when and to the extent, but only when and to the extent, (i) (A) of transfer by you to us on the date such Drawing is honored of proceeds of Commercial Paper Notes issued on such date or (B) you receive written notice from us in the form of Annex K hereto that we have been reimbursed by or on behalf of the Commission for the amount of any Drawing honored hereunder, and (ii) that you have not received notice from us in the form of Annex J hereto (a “*No-Issuance Notice*”). The Stated Amount under this Letter of Credit will be reduced automatically upon our receipt of Annex G to the amount stated in paragraph 2 therein.

The “*Stated Amount*” shall mean the Original Stated Amount (i) less the amount of all prior reductions pursuant to Drawings, (ii) less the amount of any reduction thereof pursuant to a reduction certificate in the form of Annex G hereto, (iii) plus the amount of all reinstatements as above provided.

Prior to the Termination Date, we may extend the Stated Expiration Date from time to time at the request of the Commission by delivering to you an amendment to this Letter of Credit in the form of Annex E hereto designating the date to which the Stated Expiration Date is being extended, and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

Upon the Termination Date this Letter of Credit shall automatically terminate.

This Letter of Credit is transferable to any transferee whom has succeeded you as Issuing and Paying Agent under the Issuing and Paying Agent Agreement, and may be successively transferred in its entirety. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of a Transfer Certificate in the form of Annex D attached hereto signed by the transferor and acknowledged by the transferee (each a “*Transfer*”) together with the original Letter of Credit.

Other than the provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be addressed to us at Bank of America, N.A., 1 Fleet Way, PA6-580-02-30, Scranton, Pennsylvania 18507, Attention: Standby Letter of Credit Department, specifically referring to the number of this Letter of Credit.

To the extent not inconsistent with the express terms hereof, this Letter of Credit shall be governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce-Publication No. 590 (“*ISP98*”). As to matters not governed by the *ISP98*, this Letter of Credit shall be governed by and construed in accordance with Article 5 of the Uniform Commercial Code of the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified or amended by reference to any other document whatsoever.

BANK OF AMERICA, N.A.

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX A  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**PRINCIPAL AND INTEREST DRAWING CERTIFICATE  
PRIOR TO FINAL DRAWING CERTIFICATE**

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Standby Letter of Credit Department

Ladies and Gentlemen:

The undersigned individual, a duly authorized officer of \_\_\_\_\_ (the “*Beneficiary*”), hereby certifies on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”), issued by Bank of America, N.A. (the “*Bank*”) in favor of the Beneficiary; (ii) those certain Series A-1 Notes (as defined in the Letter of Credit); and (iii) that certain Issuing and Paying Agent Agreement (as defined in the Letter of Credit):

1. The Beneficiary is the Issuing and Paying Agent (as defined in the Letter of Credit) under the Issuing and Paying Agent Agreement.
2. The Beneficiary is entitled to make this Drawing in the amount of \$\_\_\_\_\_ under the Letter of Credit pursuant to the Issuing and Paying Agent Agreement, of which \$\_\_\_\_\_ is being drawn with respect to the payment of principal of maturing Series A-1 Notes, other than Ineligible Series A-1 Notes (as defined in the Letter of Credit), and \$\_\_\_\_\_ is being drawn in respect of \_\_\_\_\_ days of interest thereon.
3. The amount of the Drawing is equal to the amount required to be drawn by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement.
4. The amount of the drawing made by this Certificate was computed in compliance with the terms of the Issuing and Paying Agent Agreement and does not exceed the Stated Amount (as defined in the Letter of Credit).
5. Payment by the Bank pursuant to this Drawing should be made to the Beneficiary Payment Account (as defined in the Letter of Credit) in accordance with the terms the Letter of Credit.
6. Upon receipt by the Beneficiary of the amount demanded hereby, (a) the Beneficiary will deposit the same directly into the Debt Service Account maintained by

the Beneficiary pursuant to the Issuing and Paying Agent Agreement and apply the same directly to the payment when due of the principal amount of Series A-1 Notes and the interest amount owing on account of the Series A-1 Notes pursuant to the Issuing and Paying Agent Agreement, (b) no portion of said amount will be applied by the Beneficiary for any other purpose, (c) no portion of said amount will be commingled with other funds held by the Beneficiary, except for other funds drawn under the Letter of Credit, and (d) when such Series A-1 Notes have been presented for payment and paid by the Beneficiary, the Beneficiary will cancel such matured Series A-1 Notes.

IN WITNESS WHEREOF, this Certificate has been executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
as Issuing and Paying Agent

By \_\_\_\_\_  
[Title of Authorized Officer]

**ANNEX B  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**PRINCIPAL AND INTEREST DRAWING CERTIFICATE  
AFTER FINAL DRAWING CERTIFICATE**

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Standby Letter of Credit Department

Ladies and Gentlemen:

The undersigned individual, a duly authorized officer of \_\_\_\_\_ (the “*Beneficiary*”), hereby certifies on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”), issued by Bank of America, N.A. (the “*Bank*”) in favor of the Beneficiary; (ii) those certain Series A-1 Notes (as defined in the Letter of Credit); and (iii) that certain Issuing and Paying Agent Agreement (as defined in the Letter of Credit):

1. The Beneficiary is the Issuing and Paying Agent (as defined in the Letter of Credit) under the Issuing and Paying Agent Agreement.
2. The Issuing and Paying Agent has received the Final Drawing Notice.
3. The Beneficiary is entitled to make this Drawing in the amount of \$\_\_\_\_\_ under the Letter of Credit pursuant to the Issuing and Paying Agent Agreement, of which \$\_\_\_\_\_ is being drawn with respect to the payment of principal of Series A-1 Notes maturing on or after the Final Drawing Notice, other than Ineligible Series A-1 Notes (as defined in the Letter of Credit), and \$\_\_\_\_\_ is being drawn in respect of \_\_\_\_\_ days of interest thereon.
4. The amount of the Drawing is equal to the amount required to be drawn by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement.
5. The amount of the drawing made by this Certificate was computed in compliance with the terms of the Issuing and Paying Agent Agreement and does not exceed the Stated Amount (as defined in the Letter of Credit).
6. This Payment Document is being presented to the Bank on a date which is no later than the fifteenth (15<sup>th</sup>) calendar day after receipt by the Beneficiary of the Final Drawing Notice.

7. Payment by the Bank pursuant to this Drawing should be made to the Beneficiary Payment Account (as defined in the Letter of Credit) in accordance with the terms the Letter of Credit.

8. Upon receipt by the Beneficiary of the amount demanded hereby, (a) the Beneficiary will deposit the same directly into the Debt Service Account maintained by the Beneficiary pursuant to the Issuing and Paying Agent Agreement and apply the same directly to the payment when due of the principal amount of Series A-1 Notes and the interest amount owing on account of the Series A-1 Notes pursuant to the Issuing and Paying Agent Agreement, (b) no portion of said amount will be applied by the Beneficiary for any other purpose, (c) no portion of said amount will be commingled with other funds held by the Beneficiary, except for other funds drawn under the Letter of Credit, and (d) when such Series A-1 Notes have been presented for payment and paid by the Beneficiary, the Beneficiary will cancel such matured Series A-1 Notes.

IN WITNESS WHEREOF, this Certificate has been executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
as Issuing and Paying Agent

By \_\_\_\_\_  
[Title of Authorized Officer]

**ANNEX C  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**CERTIFICATE REGARDING ALTERNATE FACILITY**

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Standby Letter of Credit Department

Ladies and Gentlemen:

The undersigned individual, a duly authorized officer of \_\_\_\_\_ (the “*Beneficiary*”), hereby certifies on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”), issued by Bank of America, N.A. (the “*Bank*”) in favor of the Beneficiary; (ii) those certain Series A-1 Notes (as defined in the Letter of Credit); and (iii) that certain Issuing and Paying Agent Agreement (as defined in the Letter of Credit):

1. The Beneficiary is the Issuing and Paying Agent (as defined in the Letter of Credit) under the Issuing and Paying Agent Agreement.
2. The conditions precedent to the acceptance of an Alternate Facility set forth in the Issuing and Paying Agent Agreement have been satisfied.
3. An Alternate Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is or will be in effect as of \_\_\_\_\_, 20\_\_.
4. There will be no further Drawings requested from the Bank under the Letter of Credit.
5. Upon receipt by the Bank of this Certificate, the Letter of Credit will terminate with respect to all outstanding Series A-1 Notes, and the Letter of Credit (and any amendments thereto) is returned to you herewith for cancellation.
6. No payment is demanded of you in connection with this Certificate.



IN WITNESS WHEREOF, this Certificate has been executed this \_\_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
as Issuing and Paying Agent

By \_\_\_\_\_  
[Title of Authorized Officer]

**ANNEX D  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**TRANSFER CERTIFICATE**

[Date]

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Standby Letter of Credit Department

Re: Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018

We, the undersigned "*Transferor*", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (as amended, the "*Letter of Credit*") in its entirety to:

NAME OF TRANSFEREE

---

Print Name and complete address of the Transferee) "Transferee"

---

ADDRESS OF TRANSFEREE

---

CITY/STATE/COUNTRY ZIP

(the "*Transferee*") all rights of the Transferor with respect to the above-referenced Letter of Credit, including the right to draw under said Letter of Credit in the amount of the full unutilized balance thereof. Said Transferee has succeeded the Transferor as Issuing and Paying Agent under that certain First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018 (as amended, supplemented, restated or otherwise modified from time to time, the "*Issuing and Paying Agent Agreement*"), between the Public Utilities Commission of the City and County of San Francisco (the "*Commission*") and U.S. Bank National Association as the initial Issuing and Paying Agent with respect to the Commission's Commercial Paper Notes (Power Series) Series A-1 (Tax-Exempt).

By virtue of this transfer, the Transferee shall have the sole rights as beneficiary of said Letter of Credit, including sole rights relating to any past or future amendments thereof, whether increases or extensions or otherwise. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the Transferor.

By its signature below, the Transferee acknowledges that it has duly succeeded the Transferor as Issuing and Paying Agent under the Issuing and Paying Agent Agreement, and agrees to be bound

by the terms of the Issuing and Paying Agent Agreement as if it were the original Issuing and Paying Agent thereunder.

The Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof and to forward it directly to the Transferee with your customary notice of transfer.

Very truly yours,

[Insert Name of Issuing and Paying Agent], as Issuing and Paying Agent

By: \_\_\_\_\_  
[Insert name and title of authorized officer]

SIGNATURE OF THE ABOVE OFFICER, DULY AUTHORIZED TO ACT ON BEHALF OF [insert name of Issuing and Paying Agent],

AUTHENTICATED BY:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by  
[insert name of Transferee]  
as Transferee and successor Issuing and Paying Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SIGNATURE OF THE ABOVE OFFICER  
DULY AUTHORIZED TO ACT ON BEHALF  
OF [insert name of Transferee], AUTHENTICATED BY:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX E  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**NOTICE OF EXTENSION**

\_\_\_\_\_ , \_\_\_\_\_

[ISSUING AND PAYING AGENT]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the "*Letter of Credit*"), established by us in your favor as Beneficiary. We hereby notify you that, in accordance with the terms of the Letter of Credit, the Stated Expiration Date (as defined in the Letter of Credit) has been extended to \_\_\_\_\_.

This letter shall be attached to the Letter of Credit and made a part thereof.

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX F  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**CERTIFICATE REGARDING NO OUTSTANDING NOTES**

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Standby Letter of Credit Department

Ladies and Gentlemen:

The undersigned, a duly authorized officer of \_\_\_\_\_ [insert name of Issuing and Paying Agent] (the “*Beneficiary*”), hereby notifies Bank of America, N.A. (the “*Bank*”), with reference to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit) issued by the Bank in favor of the Beneficiary as follows:

1. The Beneficiary is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement for the holders of the Series A-1 Notes.
2. No Series A-1 Notes (other than Series A-1 Notes with respect to which an Alternate Facility is in effect) remain outstanding under the Issuing and Paying Agent Agreement, nor does the Commission intend to issue any additional Series A-1 Notes under the Issuing and Paying Agent Agreement.
3. There will be no further Drawings requested from the Bank under the Letter of Credit, and the Beneficiary hereby elects to terminate the Letter of Credit, and returns such Letter of Credit (along with any amendments thereto) to you herewith for cancellation.
4. No payment is demanded of you in connection with this Certificate.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Certificate as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

[INSERT NAME OF ISSUING AND PAYING AGENT], as Issuing and Paying Agent

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX G  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**NOTICE OF REDUCTION**

Bank of America, N.A.  
1 Fleet Way  
PA6-580-02-30  
Scranton, Pennsylvania 18507

Attention: Standby Letter of Credit Department

Ladies and Gentlemen:

The undersigned, a duly authorized officer of \_\_\_\_\_ [insert name of Issuing and Paying Agent] (the “*Beneficiary*”), hereby notifies Bank of America, N.A. (the “*Bank*”), with reference to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit) issued by the Bank in favor of the Beneficiary as follows:

1. The Beneficiary is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement for the holders of the Series A-1 Notes.
2. The Stated Amount of the Letter of Credit will be decreased by the amount of \$\_\_\_\_\_ (\$\_\_\_\_\_ applicable to principal and \$\_\_\_\_\_ applicable to interest), effective on \_\_\_\_\_ (the “*Decrease Date*”).
3. The new Stated Amount of the Letter of Credit is \$\_\_\_\_\_, of which \$\_\_\_\_\_ is applicable to principal and \$\_\_\_\_\_ is applicable to interest, which amounts are not less than the outstanding principal amount of Series A-1 Notes on the Decrease Date and interest thereon at the Cap Interest Rate for a period of two hundred seventy (270) days, calculated on the basis of a year of 365 days on the Decrease Date.
4. You are required to attach this Notice of Reduction to the Letter of Credit and to treat this Notice of Reduction as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Certificate as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

[INSERT NAME OF ISSUING AND PAYING AGENT], as Issuing and Paying Agent

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**ANNEX H  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**FINAL DRAWING NOTICE**

[DATE]

[ISSUING AND PAYING AGENT]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit), established by us in your favor as Issuing and Paying Agent.

Please be advised that:

1. An Event of Default under and as defined in the Amended and Restated Reimbursement Agreement, dated as of December 1, 2018, between the undersigned and the Public Utilities Commission of the City and County of San Francisco, pursuant to which the Letter of Credit was issued, has occurred and is continuing.

2. The undersigned instructs the Issuing and Paying Agent, effective upon receipt of this Final Drawing Notice, to cease issuing Series A-1 Notes.

3. The undersigned hereby notifies you as Issuing and Paying Agent that (i) effective upon receipt of this Final Drawing Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Series A-1 Notes issued in accordance with the Issuing and Paying Agent Agreement which are outstanding and are maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will terminate on the earlier of (a) date which is the fifteenth (15th) calendar day after the date of receipt by the Issuing and Paying Agent of this Final Drawing Notice and (b) the date on which the Drawing resulting from the delivery of this Final Drawing Notice is honored by the undersigned.

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX I  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**ACCELERATION NOTICE**

[DATE]

[ISSUING AND PAYING AGENT]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit), established by us in your favor as Issuing and Paying Agent.

Please be advised that:

1. An “event of default” under and as defined in the First Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2018 (the “*IPAA*”), between the Issuing and Paying Agent and the Public Utilities Commission of the City and County of San Francisco, has occurred.

2. Pursuant to Section 8.01 of the IPAA, the undersigned notifies the Issuing and Paying Agent that is has declared the principal of all outstanding Series A-1 Notes, and the interest accrued thereon, to be due and payable immediately.

3. The undersigned hereby notifies you as Issuing and Paying Agent that (i) effective upon receipt of this Acceleration Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of the principal of and interest on Series A-1 Notes issued in accordance with the Issuing and Paying Agent Agreement which are outstanding and which have been accelerated, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will terminate on the earlier of (a) date which is the third (3rd) Business Day after the date of receipt by the Issuing and Paying Agent of this Acceleration Notice and (b) the date on which the Drawing resulting from the delivery of this Acceleration Notice is honored by the undersigned.

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CC: PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO  
Attention: Chief Financial Officer  
525 Golden Gate Avenue, 13<sup>th</sup> Floor  
San Francisco, California 94102

**ANNEX J  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**NO-ISSUANCE NOTICE**

[DATE]

[ISSUING AND PAYING AGENT]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*.”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit), established by us in your favor as Issuing and Paying Agent.

Please be advised that:

1. A Default or an Event of Default under and as defined in the Amended and Restated Reimbursement Agreement, dated as of December 1, 2018, between the undersigned and the Public Utilities Commission of the City and County of San Francisco, pursuant to which the Letter of Credit was issued, has occurred and is continuing.

2. Subject to the following sentence, you shall cease authenticating and issuing Series A-1 Notes, as provided in the Issuing and Paying Agent Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 2:00 p.m., New York City time, on a Business Day, you shall cease authenticating Series A-1 Notes on the next Business Day.

3. This No-Issuance Notice will not affect our obligation to honor demands for payment under the Letter of Credit with respect to Series A-1 Notes authenticated and issued prior to your receipt of this No-Issuance Notice (or, as provided in paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you will continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Series A-1 Notes authenticated and issued prior to your receipt of this No-Issuance Notice (or, as provided in paragraph 2 above, authenticated and issued on the same Business Day that you receive this No-Issuance Notice).

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX K  
TO  
BANK OF AMERICA, N.A.  
LETTER OF CREDIT NO. 68122730**

**NOTICE OF REIMBURSEMENT**

[DATE]

[ISSUING AND PAYING AGENT]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 68122730 dated December \_\_, 2018 (as amended, the “*Letter of Credit*”; terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit), established by us in your favor as Issuing and Paying Agent.

Please be advised that:

1. The Bank has been reimbursed by or on behalf of the Commission for an amount drawn and honored by the Bank under the Letter of Credit and that the Stated Amount of the Letter of Credit will be increased by the amount of \$\_\_\_\_\_, of which \$\_\_\_\_\_ is applicable to principal and \$\_\_\_\_\_ is applicable to interest, effective as of \_\_\_\_\_ (the “*Increase Date*”).

2. The new Stated Amount of the Letter of Credit is \$\_\_\_\_\_, of which \$\_\_\_\_\_ is applicable to principal and \$\_\_\_\_\_ is applicable to interest. You are authorized and directed to attach this Notice of Reimbursement to the Letter of Credit and to treat this Notice of Reimbursement as an amendment to the Letter of Credit.

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### FORM OF BANK NOTE

#### SAN FRANCISCO PUBLIC UTILITIES COMMISSION BANK NOTE (POWER SERIES) BANK OF AMERICA, N.A.

CUSIP No. [79773D AD2]

December \_\_, 2018

\$136,095,891

San Francisco, California

For value received, PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the "*Commission*") promises to pay to the order of BANK OF AMERICA N.A. (the "*Bank*"), by wire transfer to the payment account specified in the Agreement referred to below, or such other account as the Bank may specify to the Commission in writing, the principal sum of One Hundred Thirty-Six Million Ninety-Five Thousand and Eight Hundred Ninety-One Dollars (\$136,095,891) or, if less, the aggregate outstanding principal amount of the Reimbursement Obligations from time to time owing to the Bank pursuant to the Reimbursement Agreement, dated as of December 1, 2015, between the Commission and the Bank (as amended and supplemented from time to time, including as amended by the First Amendment to Reimbursement Agreement, dated as of December \_\_, 2018, the "*Agreement*"), on the dates and in the amounts provided for in the Agreement.

The Commission promises to pay interest on the unpaid principal amount of such Reimbursement Obligations on the dates and at the rates provided for in the Agreement. All payments of principal and interest must be made in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein have the meanings specified in the Agreement.

This Bank Note is the Bank Note referred to in the Agreement and is entitled to the benefits thereof and of the other Basic Documents referred to therein. As provided in the Agreement, this Bank Note is subject to prepayment, in whole or in part. In case an Event of Default occurs and is continuing, the principal of and accrued interest on this Bank Note may be declared due and payable in the manner and with the effect provided in the Agreement.

The Bank agrees, by acceptance of this Bank Note, that, before disposing of this Bank Note, it will make a notation on the schedule attached hereto of all Reimbursement Obligations evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; *provided, however*, that the failure to make any such notation will not limit or otherwise affect the obligation of the Commission hereunder with respect to payments of principal of and interest on this Bank Note.

Notwithstanding any other provision hereof or of the Agreement to the contrary, the obligations of the Commission hereunder are payable from the Available Power Enterprise Revenues. This Bank Note constitutes a valid and binding obligation of the Commission issued under the Issuing and Paying Agent Agreement and is secured by, and payable from, the Available Power Enterprise Revenues and from the proceeds of subsequent borrowings by the Commission, including but not limited to additional or rollover Commercial Paper Notes authorized thereunder.



The undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Bank Note and assent to extensions of the time of payment or forbearance or other indulgence without notice.

THIS BANK NOTE IS GOVERNED BY, AND TO BE CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

IN WITNESS WHEREOF, the Public Utilities Commission of the City and County of San Francisco has caused this Bank Note to be signed in its corporate name as an instrument under seal by its duly authorized officer on the date and in the year first above written.

PUBLIC UTILITIES COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_  
Name:  
Title:

Approved as to Form:

[\_\_\_\_\_]   
[City Attorney of the City and  
County of San Francisco]

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged:

By: \_\_\_\_\_  
Name:  
Title:

TRANSACTIONS ON BANK NOTE

<u>Date</u>	<u>Principal Amount of Reimbursement Obligation</u>	<u>Amount of Principal Paid</u>	<u>Date to Which Interest Paid</u>	<u>Notation Made By</u>
-------------	---------------------------------------------------------	-------------------------------------	----------------------------------------	-------------------------