

VOLUNTARY NOTICE OF EVENT

The Public Utilities Commission of the City and County of San Francisco (the “Commission”) provides this voluntary event notice (this “Notice”) in connection with the securities described below (collectively referred to in this Notice as the “Bonds”).

Issues:

- Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2010 Series AB (the “2010 Series AB Bonds”)
- Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2013 Series A (the “2013 Series A Bonds”)
- Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2013 Series B (the “2013 Series B Bonds”)
- Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2016 Series AB (the “2016 Series AB Bonds”)
- Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2018 Series ABC (the “2018 Series ABC Bonds”)

Event Disclosure:

In connection with the Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Wastewater Series) Series A-4 (“A-4 Notes”), on July 9, 2019 the Commission entered into a Revolving Credit and Term Loan Agreement, dated as of July 1, 2019 (the “A-4 RCTLA”), by and between the Commission and The Toronto-Dominion Bank, New York Branch (“TD Bank”). Pursuant to the A-4 RCTLA, TD Bank will provide liquidity supporting the payment of the principal of and interest on maturing A-4 Notes in an aggregate principal amount of up to \$75,000,000. The A-4 RCTLA replaces an expiring Revolving Credit and Term Loan Agreement, dated as of July 1, 2012, and as amended by a First Amendment to the Revolving Credit and Term Loan Agreement, dated as of July 10, 2015, and as further amended by a Second Amendment to the Revolving Credit and Term Loan Agreement, dated as of July 10, 2018, between the Commission and The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch.

The following redacted document is included as part of this Notice:

1. A-4 RCTLA

Other Matters:

This Notice speaks only of its date. Any provision in the A-4 RCTLA may be amended or waived. The Commission has not undertaken, and does not undertake, to provide any updates to this Notice in the future.

This Notice does not constitute or imply any representation: (i) that the foregoing event is material to investors; (ii) regarding any other financial, operating or other information about the Commission or the Bonds; or (iii) that no other circumstances or events have occurred or that no other information exists concerning the Commission, the Bonds or the foregoing event, which may have a bearing on the Commission's financial condition, the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds.

Dated: July 12, 2019

PUBLIC UTILITIES COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: /s/ Richard Morales, Debt Manager

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REVOLVING CREDIT AND TERM LOAN AGREEMENT

**REVOLVING CREDIT
AND
TERM LOAN AGREEMENT**

DATED AS OF JULY 1, 2019

BY AND BETWEEN

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

AND

THE TORONTO-DOMINION BANK, NEW YORK BRANCH

RELATING TO

**\$75,000,000
PUBLIC UTILITIES COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMERCIAL PAPER NOTES
(WASTEWATER SERIES, PROPOSITION E)
SERIES A-4 (TAX-EXEMPT)**

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REVOLVING CREDIT AND TERM LOAN AGREEMENT

This REVOLVING CREDIT AND TERM LOAN AGREEMENT, dated as of July 1, 2019 (this “*Agreement*”), is entered into by and between the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, organized and existing under the Constitution and the laws of the State of California and the Charter (as defined below) of the City and County of San Francisco (together with any successors and assigns, the “*Commission*”) and THE TORONTO-DOMINION BANK, New York Branch (together with any successors and assigns, the “*Bank*”). Terms used herein with initial capital letters and not otherwise defined shall have the respective meanings attributed to them in Section 1.1 of this Agreement.

WITNESSETH:

WHEREAS, on November 5, 2002, the voters of the City approved Proposition E, 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 Wastewater Enterprise (as hereinafter defined); and

WHEREAS, Commercial Paper Notes (as hereinafter defined) are authorized to be issued pursuant to the Charter of the City (the “*Charter*”), Article V of Chapter 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 on June 19, 1998 (the “*203-98 Ordinance*”), as amended by Ordinance No. 270-06, adopted on October 24, 2006 by the Board and signed by the Mayor on October 31, 2006 (the “*270-06 Ordinance*”) to establish a procedure for the issuance of commercial paper notes, Ordinance No. 266-06 adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006 (the “*266-06 Ordinance*”), Ordinance No. 91-12 adopted by the Board on May 8, 2012 and signed by the Mayor on May 14, 2012 (the “*91-12 Ordinance*”), Resolution No. 378-14, adopted by the Board on September 30, 2014 and signed by the Mayor on October 9, 2014 (“*City Resolution No. 378-14*”), Resolution No. 193-17, adopted by the Board on May 23, 2017, and signed by the Mayor on May 26, 2017 (“*City Resolution No. 193-17*” and together with the 203-98 Ordinance, the 270-06 Ordinance, the 266-06 Ordinance, the 91-12 Ordinance and City Resolution No. 378-14, referred to herein as the “*City Legislation*”), Resolution No. 06-0164 approved by the Commission on September 26, 2006 (the “*Resolution No. 06-0164*”), Resolution No. 11-0197, approved by the Commission on December 13, 2011 (“*Resolution No. 11-0197*”), Resolution No. 14-0139, approved by the Commission on August 26, 2014 (“*Resolution No. 14-0139*”), and Resolution No. 17-0086 approved by the Commission on April 25, 2017 (“*Resolution No. 17-0086*” and together with Resolution No. 06-164, Resolution No. 11-0197 and Resolution No. 14-0139, the “*Resolutions*”) authorized the issuance of Public Utilities Commission of the City and County of San Francisco Commercial Paper Notes (Wastewater Series) in an aggregate principal amount not to exceed \$750,000,000; 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 Ordinance and the Resolutions, including the financing and refinancing of the Commercial Paper Notes, the Revolving Note and the Term Note (as each such term is hereinafter defined); and

WHEREAS, the Commission has authorized, executed and delivered that certain Issuing and Paying Agent Agreement, dated as of July 1, 2012 (as from time to time supplemented and amended in accordance with the terms hereof and thereof, the "*Issuing and Paying Agent Agreement*"), with U.S. Bank National Association, as issuing and paying agent (the "*Issuing and Paying Agent*"), relating to the Series A-4 Notes and separate issuing and paying agent agreements, each with the Issuing and Paying Agent, relating to the City and County of San Francisco Commercial Paper Notes (Wastewater Series, Proposition E), Series A-1 (Tax Exempt) (the "*Series A-1 Notes*"), Series A-2 (Tax Exempt) (the "*Series A-2 Notes*"), Series A-4 (Tax Exempt) (the "*Series A-4 Notes*"), Tax-Exempt Subseries A-5 (the "*Subseries A-5 Notes*"), Taxable Subseries A-5-T (the "*Subseries A-5-T Notes*" and together with the Subseries A-5 Notes, the "*Series A-5 Notes*"), Tax-Exempt Subseries A-6 (the "*Subseries A-6 Notes*"), Taxable Subseries A-6-T (the "*Subseries A-6-T Notes*" and together with the Subseries A-6 Notes, the "*Series A-6 Notes*") and Series A-7 (Tax Exempt) (the "*Series A-7 Notes*" and together with the Series A-1 Notes, the Series A-2 Notes, the Series A-4 Notes, the Series A-5 Notes, the Series A-6 Notes, the "*Commercial Paper Notes*"); and

WHEREAS, in order to provide liquidity and/or credit for the payment of maturing Commercial Paper Notes, the Commission previously entered into (i) a Reimbursement Agreement (the "*Series A-1 Reimbursement Agreement*") with Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Series A-1 Credit Provider*") pursuant to which the Series A-1 Credit Provider issued a letter of credit for payment of principal and interest on the Series A-1 Notes, (ii) a Reimbursement Agreement (the "*Series A-2 Reimbursement Agreement*") with Bank of America, N.A. (the "*Series A-2 Credit Provider*") pursuant to which the Series A-2 Credit Provider issued a letter of credit for payment of principal and interest on the Series A-2 Notes, (iii) a Reimbursement Agreement, (the "*Series A-5 Reimbursement Agreement*") with Barclays Bank PLC (the "*Series A-5 Credit Provider*") pursuant to which the Series A-5 Credit Provider issued a letter of credit for payment of principal and interest on the Series A-5 Notes, (iv) a Revolving Credit and Term Loan Agreement (the "*Series A-6 Liquidity Agreement*") with State Street Bank and Trust Company (the "*Series A-6 Liquidity Provider*") for payment of principal of the Series A-6 Notes, and (v) a Reimbursement Agreement (the "*Series A-7 Reimbursement Agreement*" and together with the Series A-1 Reimbursement Agreement, the Series A-2 Reimbursement Agreement and the Series A-5 Reimbursement Agreement, the "*Reimbursement Agreements*") with Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Series A-7 Credit Provider*" and together with the Series A-1 Credit Provider, the Series A-2 Credit Provider and the Series A-5 Credit Provider, the "*Credit Providers*") pursuant to which the Series A-7 Credit Provider issued a letter of credit for payment of principal and interest on the Series A-7 Notes; and

WHEREAS, the Commercial Paper Notes previously included a Series A-3 (Tax Exempt) (the "*Series A-3 Notes*"), which Series A-3 Notes were terminated on July 10, 2017 and replaced

by a Revolving Credit Agreement (the “*US Bank Revolving Credit Agreement*”) with U.S. Bank National Association, and repayment of obligations issued under the US Bank Revolving Credit Agreement are payable on parity with the Commercial Paper Notes; and

WHEREAS, in order to provide liquidity for the payment of maturing Series A-4 Notes, the Commission has requested the Bank to enter into this Agreement pursuant to which the Bank would agree, subject to certain conditions, to make advances from time to time to provide funds for the payment of the Series A-4 Notes on the maturity dates thereof to the extent that proceeds of other Series A-4 Notes are not available therefor; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the sufficiency of which are hereby acknowledged, the Commission and the Bank hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. As used in this Agreement and unless otherwise expressly indicated, or unless the context clearly requires otherwise:

(a) All the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof and of this Agreement.

(b) Capitalized terms not otherwise defined herein have the respective meanings assigned to such terms in the Issuing and Paying Agent Agreement.

(c) The following terms shall have the following meanings (such meanings to be equally applicable to both singular and plural forms of the terms defined):

“*Advance*” means any advance made by the Bank pursuant to Section 2.1 hereof.

“*Advance Due Date*” means, in respect of any Advance, the earliest to occur of (a) the one hundred eightieth (180th) day after the making of such Advance; (b) the Commitment Expiration Date; (c) the date that an Alternate Facility becomes effective; (d) the date the Commitment Period is otherwise terminated or expires; (e) the Business Day when Commercial Paper Notes or bonds are sold to fund the repayment of any Advance or (f) the date on which the Commission issues any Subordinated Wastewater Bonds (unless the Bank otherwise waives the requirement of this clause (f) in writing); provided, however, that if any such day so determined is not a Business Day, the Advance Due Date shall be the next preceding day that is a Business Day.

“*Agreement*” means this Revolving Credit and Term Loan Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time hereafter.

“*Alternate Facility*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Amendment Effective Date*” means the date the Proposed Amendments become effective pursuant to Section 2.01 thereof.

“*Amortization End Date*” means, at any time with respect to the amortization of any Term Loan, the earliest to occur of (a) the third (3rd) anniversary of the date on which the Advance was made, (b) the date an Alternate Facility becomes effective in accordance with Section 9.02 of the Issuing and Paying Agent Agreement, (c) the date that all of the Series A-4 Notes are repaid in full and the Lien in favor thereof is defeased in accordance with Section 9.05 of the Issuing and Paying Agent Agreement, (d) the date the Commitment Period is otherwise terminated (other than as a result of the Commitment Period expiring as a result of the Commitment Expiration Date occurring), (e) the third (3rd) anniversary of the Commitment Expiration Date, (f) the date the Commitment is reduced to zero pursuant to Section 2.6 or Section 8.2 hereof, (g) the Business Day when Commercial Paper Notes or bonds are sold to fund the repayment of any Term Loan and (h) the date on which the Commission issues any Subordinated Wastewater Bonds (unless the Bank otherwise waives the requirement of this clause (h) in writing).

“*Annual Budget*” means the budget or budgets prepared by the Commission in substantially the form that has been previously presented to the Bank.

“*Annual Debt Service*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Authorized Representative*” means each of the General Manager of the San Francisco Public Utilities Commission, Assistant General Manager and Chief Financial Officer, Business Services, Deputy Chief Financial Officer, Financial Services, Debt Manager, Financial Planning, Utility Specialist, Financial Planning, Controller of the City and County of San Francisco, Director of Public Finance, and any other individual designated from time to time as a “Designated Representative” in a certificate executed by the General Manager of the San Francisco Public Utilities Commission and delivered to the Bank.

“*Available Commitment*” means, as of the Effective Date, Seventy-Five Million Dollars (\$75,000,000) and, thereafter, such initial amount adjusted from time to time as follows:

- (a) *downward* in an amount equal to the principal amount of any Advance;
- (b) *upward* in an amount equal to the principal amount of any Advance or Term Loan that is repaid, including upon the sale of Series A-4 Notes pursuant to Section 2.5(b) hereof;
- (c) *downward* in an amount equal to any reduction thereof effected pursuant to Section 2.6 hereof;

(d) *downward* in an amount equal to the principal amount of any Term Loan, effective upon the making of such Term Loan; and

(e) *downward* to zero upon the expiration or termination of the Commitment in accordance with the terms hereof.

Any adjustment to the Available Commitment pursuant to clause (a), (b), (c), (d) or (e) above shall occur simultaneously with the occurrence of the event described in such clause.

“*Available Moneys*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Available Wastewater Enterprise Revenues*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Bank*” has the meaning set forth in the introductory paragraph hereto, and includes any successor or assign permitted hereby.

“*Bank Rate*” means, for any day, the following fluctuating interest rate per annum for such day, computed on the basis of the actual number of days elapsed and a 365-day year for the following periods, from and including the first day of the period to and excluding the last day of the period on which amounts bearing at such rate are due to be repaid in full hereunder:

<u>Period</u>	<u>Bank Rate</u>
Day 1 through Day 90	Base Rate
Day 91 through the day the amount is due and payable	Base Rate plus 1.00% per annum

provided, however, that (a) upon the occurrence and during the continuation of any Event of Default, the Bank Rate shall equal the Default Rate; and (b) the Bank Rate shall be subject to the limitations set forth in Section 2.4 hereof; and *provided further* that, at no time shall the Bank Rate be less than the highest rate on any outstanding Series A-4 Notes.

“*Base Rate*” means, for any day, the highest of (a) the sum of the Prime Rate in effect for such day plus 1.50% per annum, (b) the sum of 2.00% per annum plus the Federal Funds Rate for such day, and (c) 7.00% per annum (it being understood that each change in such Base Rate is to be effective for purposes of this Agreement on the day on which such change is effective for the Bank’s purposes). Each determination of the Base Rate by the Bank shall be conclusive and binding on the Commission and the Bank, absent manifest error.

“*Basic Commission Documents*” means, at any time, each of Basic Documents except the City Legislation.

“*Basic Documents*” means, at any time, each of the following documents or agreements as in effect or as outstanding, as the case may be, at such time: (a) the Commercial Paper Notes,

(b) the Resolutions, (c) the Offering Memorandum, (d) the Dealer Agreements, (e) the Issuing and Paying Agent Agreement, (f) the Revolving Note, (g) the Term Note, (h) the Fee Letter, (i) this Agreement and (j) the City Legislation.

“*Board*” has the meaning set forth in the recitals hereof.

“*Bond Counsel*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Bond Reserve Fund*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Bonds*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Business Day*” means any day other than (1) a Saturday, Sunday, or day on which banking institutions in the State are authorized or obligated by law or executive order to be closed, (2) for purposes of payments and other actions relating to this Agreement, a day upon which commercial banks in the State or the State of New York are authorized or obligated by law or executive order to be closed, (3) a day on which the New York Stock Exchange is closed, or (4) a legal holiday of the City or any other day the City is authorized by law to be closed for official business, as provided in Section 6.19 hereof and Exhibit F, as updated by the City from time to time.

“*Charter*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*City*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*City Legislation*” has the meaning set forth in the recitals hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, including regulations, rulings and judicial decisions promulgated thereunder.

“*Commercial Paper Notes*” has the meaning set forth in the recitals hereof.

“*Commission*” has the meaning set forth in the introductory paragraph hereof, and includes any successor or assign permitted hereby.

“*Commitment*” means, as of the Effective Date, Seventy Five Million Dollars (\$75,000,000) and, thereafter, shall mean such amount as reduced from time to time pursuant to Section 2.6 hereof or any other provision set forth herein.

“*Commitment Expiration Date*” means (i) July 8, 2022, as such date may be extended from time to time pursuant to Section 9.12(b) hereof or (ii) such earlier date on which this Agreement terminates in accordance with its terms (including a date on which no Series A-4 Notes remain outstanding and the Bank has honored its obligations hereunder with respect thereto after the issuance of a No-Issuance Notice by the Bank in accordance with the terms of this Agreement).

“*Commitment Period*” means, as of any date, the period from such date to the Commitment Expiration Date or any earlier date on which the Commitment is terminated pursuant to the terms hereof.

“*Dealers*” means the dealer or dealers selected from time to time by the Commission (and acceptable to the Bank) to market the Series A-4 Notes pursuant to the terms of any applicable Dealer Agreement, and any permitted assigns and successors thereto.

“*Dealer Agreement*” means each dealer agreement, by and between the Commission and a Dealer, in form and substance reasonably acceptable to the Bank, as may be amended and supplemented from time to time in accordance with the terms hereof.

“*Debt*” means (a) all bonds, notes, debentures and other similar evidences of indebtedness or obligations of the Commission that are secured by or payable from Pledged Revenues senior to or on a parity with the Commercial Paper Notes, the Revolving Note and the Term Note, (b) all other indebtedness of the Commission for borrowed money, (c) obligations of the Commission as lessee under any lease of property, real or personal, that, in accordance with GAAP, would be required to be capitalized on a balance sheet of the lessee thereof, (d) obligations under Swap Contracts providing interest rate support with respect to any debt secured by or payable from Pledged Revenues senior to or on a parity with the Commercial Paper Notes, the Revolving Note and the Term Note, (e) any obligation of the Commission guaranteeing or in effect guaranteeing any other debt, whether directly or indirectly, including, but not limited to Swap Contracts, (f) all debt of others secured by a lien on any asset of such Person, whether or not such debt is assumed by such Person, (g) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business and (h) obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advanced under a letter of credit, credit agreement, liquidity facility or other instrument.

“*Debt Service*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Debt Service Reserve Debt*” means any reimbursement agreement or similar arrangement to secure the repayment of advances under a liquidity, letter of credit or surety bond arrangement used to fund any debt service reserve or similar account securing Senior Debt.

“*Default*” means any event or condition which constitutes an Event of Default or which, with the giving of notice, or the lapse of time, or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means the Base Rate from time to time in effect plus 3.00% per annum.

“*Dodd-Frank Act*” means the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, guidelines and directions in connection therewith, as the same may be amended from time to time.

“DTC” means The Depository Trust Company, New York, New York, and any successor securities depository.

“Effective Date” has the meaning set forth in Section 3.1 hereof.

“Employee Plan” means an employee benefit plan covered by Title IV of ERISA and maintained for employees of the Commission.

“Enterprise” has the meaning set forth in the Wastewater Bonds Indenture.

“Environmental Laws” means any and all federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

“EoD No-Issuance Notice” has the meaning set forth in Section 8.2(c) hereof.

“Event of Default” has the meaning set forth in Section 8.1 hereof.

“Excess Interest Amount” has the meaning set forth in Section 2.4 hereof.

“Facility Fee” has the meaning set forth in the Fee Letter.

“Federal Funds Rate” means, for any day, the rate of interest per annum as determined by the Bank at which overnight Federal funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the Authority, on the date of any change in such rate; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be the rate applicable to such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Bank on such day by three Federal funds brokers selected by the Bank. Each determination of the Federal Funds Rate by the Bank shall be conclusive and binding on the Commission absent manifest error.

“Fee Letter” means the Fee Letter dated July 9, 2019, regarding fees, costs and expenses, as the same may be amended, restated, modified or supplemented from time to time by written instrument signed by the Commission and the Bank and any agreement entered into in substitution thereof. The parties hereto acknowledge and agree that all references in this Agreement to “Fee Letter” are, from and after the date hereof, read to mean “Fee Letter” as defined herein.

“*Fiscal Year*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Formula Rate*” means the rate per annum at which any Advance, Term Loan or any other amount payable hereunder or under the Fee Letter would bear interest pursuant to the terms hereof if such rate were determined without regard to the limitations herein with respect to the Maximum Interest Rate.

“*GAAP*” means generally accepted accounting principles in the United States of America from time to time as set forth in (a) the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and (b) statements and pronouncements of the Government Accounting Standards Board, as modified by the opinions, statements and pronouncements of any similar accounting body of comparable standing having authority over accounting by governmental entities.

“*Governmental Authority*” means the United States of America or any state or political subdivision thereof or any foreign nation or political subdivision thereof, any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the United States of America (or any state, municipality or political subdivision thereof) or any foreign nation or political subdivision thereof, including, without limitation, any central bank or other governmental or quasi-governmental authority exercising control over banks or other financial institutions, and any corporation or other entity or authority owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“*Immediate Termination Event*” has the meaning set forth in Section 8.1(a) hereof.

“*Interest Fund*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Investment Policy and Guidelines*” means the investment guidelines of the City as in effect on the date hereof, as such investment guidelines may be amended from time to time in accordance with the Issuing and Paying Agent Agreement, the Resolutions, and State laws, as applicable.

“*Issuing and Paying Agent*” has the meaning set forth in the recitals to this Agreement and include any successors and assigns.

“*Issuing and Paying Agent Agreement*” has the meaning set forth in the recitals to this Agreement.

“*Legal Requirement*” means any law (including any Environmental Law), statute, ordinance, decree, requirement, order, judgment, rule or regulation (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

“*Lien*” means, with respect to any asset, (a) any lien, charge, claim, mortgage, security interest, pledge or assignment of revenues of any kind in respect of such asset or (b) the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Maximum Interest Rate” means the lesser of (a) the 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; *provided, however*, that if the City or the Commission increases the maximum rate allowable at any time during the term hereof, then such increased rate shall be the Maximum Interest Rate.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“Net Revenues” has the meaning set forth in the Wastewater Bonds Indenture.

“No-Issuance Notice” means an EoD No-Issuance Notice or a Subordinated Bonds No-Issuance Notice.

“Offering Memorandum” means any offering memorandum or similar disclosure document relating to the Commercial Paper Notes and the Commission as may be prepared by or on behalf of the Commission or the Dealers from time to time in connection with the offering and sale of Commercial Paper Notes.

“Operation and Maintenance Costs of the Enterprise” has the meaning set forth in the Wastewater Bonds Indenture.

“Ordinances” has the meaning set forth in the recitals hereof.

“Other Commercial Paper Notes” means all obligations of the Commission for the payment of principal and interest on any commercial paper notes issued by or on behalf of the Commission (other than the Commercial Paper Notes) payable from or secured by a first lien on the Pledged Revenues after the Senior Debt, but that is authorized and issued by the Commission pursuant to an indenture, contract or other instrument.

“Other Debt Documents” has the meaning set forth in Section 7.1(c)(i) hereof.

“Other Taxes” has the meaning set forth in Section 2.12(b) hereof.

“Parity Debt” means all obligations of the Commission for the payment of principal and interest on Debt ((i) other than (A) Debt described in clauses (b) and (g) of the “Debt” and (B) termination payments under Swap Contracts as described in clause (d) of the definition of “Debt”, (ii) with respect to capital leases described in clause (c) of the definition of “Debt,” only those capital leases the obligations under which are secured by or payable from Pledged Revenues on basis senior to or on a parity with the Commercial Paper Notes, the Loans, the Revolving Note and the Term Note (x) which are not subject to appropriation or abatement or (y) which is rated by each Rating Agency then rating the Commercial Paper Notes at a level equal to or higher than the long-term unenhanced debt rating assigned by each such Rating Agency to any Debt of such Person secured by or payable from Pledged Revenues on a parity with the Loans, the Revolving Note and the Term Note and (iii) with respect to debt as described in clause (f) of the definition of “Debt”, only with respect to such debt which has been assumed by the Commission) payable from or secured by a first lien on the Pledged Revenues after the Senior

Debt, but that is authorized and issued by the Commission pursuant to an indenture, contract or other instrument; including, without limitation, the Commercial Paper Notes, the Series A-1 Reimbursement Agreement, the Series A-1 Bank Note, Series A-2 Reimbursement Agreement, the Series A-2 Bank Note, Series A-5 Reimbursement Agreement, the Series A-5 Bank Note, the Series A-6 Liquidity Agreement, the Series A-6 Revolving Notes, the Series A-6 Term Note, the Series A-7 Reimbursement Agreement and the Series A-7 Bank Note, the US Bank Revolving Credit Agreement and the additional credit agreements, liquidity agreements, bank notes, revolving notes and term notes that are expected to be entered into in accordance with the Ordinance and the Resolutions; *provided, however*, that the failure to pay any Debt described in clause (e) of the definition of “Debt” as a result of any set-off, recoupment, counterclaim or any other defense of the Commission shall not constitute a failure to pay Parity Debt for purposes of this Agreement.

“*Parity State Loans*” shall have the meaning assigned to such term in the Wastewater Bonds Indenture.

“*Participant*” means a bank which has purchased a participation from the Bank in the Bank’s rights and obligations hereunder and under the Basic Documents pursuant to a Participation Agreement.

“*Participation Agreement*” means any agreement entered into among the Bank and one or more other banks purchasing participations in the Bank’s rights and obligations hereunder and under the Basic Documents and named therein, pursuant to which such other bank or banks shall purchase from the Bank a participation or participations in the Bank’s rights and obligations hereunder and under the Basic Documents.

“*Patriot Act*” has the meaning set forth in Section 9.20 hereof.

“*Person*” means an individual, a firm, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Pledged Revenues*” means Available Wastewater Enterprise Revenues and other amounts described in Section 6.01 of the Issuing and Paying Agent Agreement.

“*Prime Rate*” means, for any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime rate.” The “prime rate” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“*Proceedings*” has the meaning set forth in Section 9.14(c) hereof.

“*Proposed Amendments*” means the proposed amendments described in Article II of the Sixth Supplemental Indenture.

“*Proposition E*” means the measure approved by the voters of the City on November 5, 2002, 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.

“*Qualified Dealer*” means, initially, only Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and US Bancorp Investments, Inc. and the other Dealers on the list set forth in Exhibit M hereto on the Effective Date, and thereafter any other Dealer approved in writing by the Bank to act as dealer for Subseries A-4 Notes, which approval shall not be unreasonably withheld or delayed.

“*Quarterly Date*” means the last Business Day of each March, June, September or December.

“*Rating Agency*” means either Moody’s or S&P. “*Rating Agencies*” means Moody’s and S&P.

“*Request for Advance*” means a written request for an Advance substantially in the form of Exhibit C hereto.

“*Resolution No. 06-0164*” has the meaning set forth in the recitals to this Agreement.

“*Resolution No. 11-0197*” has the meaning set forth in the recitals to this Agreement.

“*Resolution No. 14-0139*” has the meaning set forth in the recitals to this Agreement.

“*Resolution No. 17-0086*” has the meaning set forth in the recitals to this Agreement.

“*Resolution No. 378-14*” has the meaning set forth in the recitals to this Agreement.

“*Resolutions*” has the meaning set forth in the recitals hereof.

“*Revenues*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Revolving Note*” has the meaning set forth in Section 2.1(d) hereof.

“*Sale Price*” has the meaning set forth in Section 2.5(b) hereof.

“*Senior Debt*” means the Senior Lien Wastewater Bonds, Subordinated Wastewater Bonds, Parity State Loans and any additional bonds, notes or other Debt ((i) other than (A) Debt described in clauses (b) and (g) of the “Debt” and (B) termination payments under Swap Contracts as described in clause (d) of the definition of “Debt”, (ii) with respect to capital leases described in clause (c) of the definition of “Debt,” only those capital leases the obligations under

which are secured by or payable from Pledged Revenues on basis senior to or on a parity with the Commercial Paper Notes, the Loans, the Revolving Note and the Term Note (x) which are not subject to appropriation or abatement or (y) which is rated by each Rating Agency then rating the Commercial Paper Notes at a level equal to or higher than the long-term unenhanced debt rating assigned by each such Rating Agency to any Debt of the Commission secured by or payable from Pledged Revenues on a parity with the Loans, the Revolving Note and the Term Note and (iii) with respect to debt as described in clause (f) of the definition of “Debt”, only with respect to such debt which has been assumed by the Commission) payable from or secured by the Wastewater Enterprise Revenues, that are senior to the Lien securing the Parity Debt; provided, however, that the failure to pay any Debt described in clause (e) of the definition of “Debt” as a result of any set-off, recoupment, counterclaim or any other defense of the Commission shall not constitute a failure to pay Senior Debt for purposes of this Agreement.

“*Senior Lien Wastewater Bonds*” means all bonds currently outstanding or hereinafter issued by the Commission with a senior pledge or first lien on the Wastewater Enterprise Revenues.

“*Senior Lien Wastewater Documents*” means the Wastewater Bonds Indenture pursuant to which the Senior Lien Wastewater Bonds are issued.

“*Senior State Loans*” has the meaning set forth in the Wastewater Bonds Indenture.

“*Series A-1 Bank Note*” means the bank note issued pursuant to the Series A-1 Reimbursement Agreement.

“*Series A-1 Reimbursement Agreement*” has the meaning set forth in the recitals.

“*Series A-1 Notes*” has the meaning set forth in the recitals.

“*Series A-2 Bank Note*” means the bank note issued pursuant to the Series A-2 Reimbursement Agreement.

“*Series A-2 Notes*” has the meaning set forth in the recitals.

“*Series A-2 Reimbursement Agreement*” has the meaning set forth in the recitals.

“*Series A-4 Notes*” has the meaning set forth in the recitals.

“*Series A-5 Bank Note*” means the bank note issued pursuant to the Series A-5 Reimbursement Agreement.

“*Series A-5 Notes*” has the meaning set forth in the recitals.

“*Series A-5 Reimbursement Agreement*” has the meaning set forth in the recitals.

“*Series A-6 Liquidity Agreement*” has the meaning set forth in the recitals.

“*Series A-6 Notes*” has the meaning set forth in the recitals.

“*Series A-6 Revolving Note*” means the revolving note issued pursuant to the Series A-6 Liquidity Agreement.

“*Series A-6 Term Note*” means the term note issued pursuant to the Series A-6 Liquidity Agreement.

“*Series A-7 Bank Note*” means the bank note issued pursuant to the Series A-7 Reimbursement Agreement.

“*Series A-7 Notes*” has the meaning set forth in the recitals.

“*Series A-7 Reimbursement Agreement*” has the meaning set forth in the recitals.

“*Sixth Supplemental Indenture*” means the Sixth Supplemental Indenture, dated July 1, 2018, by and between the Commission and the Trustee, which proposes to amend and supplement the Wastewater Bonds Indenture.

“*S&P*” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and its successors and assigns.

“*State*” means the State of California.

“*Subordinated Bonds No-Issuance Notice*” has the meaning set forth in Section 2.13 hereof.

“*Subordinated Wastewater Bonds*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Subordinated Wastewater Bonds Indenture*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Suspension Event*” has the meaning set forth in Section 8.2(b) hereof.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the

International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Swap Policy and Guidelines*” means the swap guidelines of the Commission as in effect on the date hereof, as such swap guidelines may be amended from time to time in accordance with the Issuing and Paying Agent Agreement, the Resolutions, and State laws, as applicable.

“*Taxes*” has the meaning set forth in Section 2.12(a) hereof.

“*Term Loan*” has the meaning set forth in Section 2.2(a) hereof.

“*Term Loan Date*” has the meaning set forth in Section 2.2(a) hereof.

“*Term Note*” has the meaning set forth in Section 2.2(c) hereof.

“*Termination Date*” has the meaning set forth in Section 8.2(b) hereof.

“*US Bank Revolving Credit Agreement*” has the meaning set forth in the recitals.

“*Wastewater Bonds Indenture*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Wastewater Enterprise*” has the meaning set forth in the Issuing and Paying Agent Agreement.

“*Wastewater Enterprise Revenues*” has the meaning ascribed to the term “Revenues” in the Wastewater Bonds Indenture.

Section 1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent (except for changes approved by the Commission’s independent public accountants) with the most recent audited financial statements of the Commission delivered to the Bank.

Section 1.3. Rules of Construction. When used in this Agreement:

- (a) the singular includes the plural and the plural includes the singular;
- (b) “or” is not exclusive;
- (c) a reference to a law shall include any amendment or modification to such law;

(d) a reference to a person shall include its permitted successors and permitted assigns; and

(e) a reference to an agreement, instrument or document shall include such agreement, instrument or document as the same may be amended, modified or supplemented from time to time in accordance with its terms and as permitted hereby.

ARTICLE II

ADVANCES AND LOANS

Section 2.1. Advances.

(a) *Making of Advances; Use of Proceeds.* Subject to the terms and conditions of this Agreement (including, without limitation, Section 3.2 hereof), the Bank agrees to make Advances from time to time on any Business Day during the Commitment Period in amounts not to exceed at any time the Available Commitment. Each Advance shall be made solely for the purpose of providing funds to pay the principal of the Series A-4 Notes on the respective maturity dates thereof to the extent that proceeds of other Series A-4 Notes are not available therefor.

(b) *Reborrowing.* Within the limits of this Section 2.1, the Commission may borrow in the form of Advances hereunder, pay or prepay outstanding Advances and Term Loans pursuant to Section 2.5 hereof and reborrow in the form of Advances under this Section 2.1.

(c) *Method of Borrowing.* Upon receipt of a Request for Advance by the Bank from the Issuing and Paying Agent in the form of Exhibit C hereto not later than 11:30 a.m. (New York City time) on the day of the proposed borrowing, the Bank shall, subject to the terms and conditions of this Agreement, before 2:30 p.m. (New York City time) on such date, transfer funds to the Issuing and Paying Agent in an amount equal to the amount of the requested Advance. With respect to any such Request for Advance received by the Bank from the Issuing and Paying Agent after 11:30 a.m. (New York City time) on any date, the Bank shall be obligated to make such Advance to the Issuing and Paying Agent by 2:30 p.m. (New York City time) on the next succeeding Business Day. Each Advance shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with written instructions provided by the Issuing and Paying Agent in the Request for Advance.

(d) *Revolving Note.* All Advances shall be evidenced by one promissory note of the Commission, designated "Public Utilities Commission of the City and County of San Francisco Liquidity Facility Revolving Bank Note, Series A-4" in substantially the form of Exhibit A hereto (the "*Revolving Note*") to be issued on the Effective Date, payable to the Bank in a principal amount up to the amount of the Commitment on the Effective Date and interest on outstanding advances hereunder and otherwise duly completed. All Advances made by the Bank and all payments and prepayments made on account of principal thereof shall be recorded by the Bank on the schedule (or a continuation thereof) attached to the Revolving Note, it being understood, however, that failure by the Bank to make any such endorsement shall not affect the

obligations of the Commission hereunder or under the Revolving Note in respect of unpaid principal of and interest on the Advances.

(e) *Scheduled Repayments of Advances.* The principal of each Advance shall be repaid on the date such Advance is made; provided, that if on such date (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties of the Commission set forth in Article VI hereof and in each of the other Basic Documents shall be true and correct in all material respects on and as of such date, such Advance shall be repaid on the Advance Due Date applicable to such Advance; provided further, that if the conditions to the making of the Term Loan set forth in Section 3.3 are satisfied on such Advance Due Date, such Advance shall be deemed to be repaid from the proceeds of a Term Loan made in accordance with Section 2.2 hereof. The Commission's obligations to repay each Advance and to pay interest thereon as provided herein shall be evidenced and secured by the Revolving Note, and the Commission shall redeem the Revolving Note on each date on which the Commission is required to make a principal payment on a Advance in an amount equal to the Advance payment due on such date.

(f) *Interest.* The Commission agrees to pay interest on the unpaid principal amount of each Advance, subject to the terms of Section 2.4 hereof, from the date such Advance is made until the principal amount thereof is paid in full, at the Bank Rate or the Default Rate, as applicable; *provided, however*, that at all times the interest rate payable on any Advance shall be subject to the limitations set forth in Section 2.4 hereof. Interest on each Advance shall be payable in arrears on the first Business Day of each calendar month and on the related Advance Due Date or as otherwise provided pursuant to Sections 2.5 and 8.2 hereof. In addition, in the case of any prepayment of any portion of an Advance, interest on the portion so prepaid shall be payable in arrears on the date of prepayment.

Section 2.2. Term Loans.

(a) *Making of Term Loans; Use of Proceeds.* Subject to the fulfillment of the conditions precedent set forth in Section 3.3 hereof, the Bank agrees to make loans from time to time (each, a "*Term Loan*") on each Advance Due Date (each, a "*Term Loan Date*") in a principal amount equal to the principal amount of the Advance that is then due on each such Advance Due Date. The proceeds of each Term Loan shall be applied exclusively to the repayment of the principal of the related Advance on each Advance Due Date.

(b) *Method of Borrowing.* Upon receipt by the Bank of a notice signed by an Authorized Representative of the Commission requesting that the Bank make a Term Loan on a proposed Term Loan Date not earlier than five (5) Business Days after the date of such receipt, the Bank, subject to the terms and conditions of this Agreement, shall be deemed to make a Term Loan on such proposed Term Loan Date to the Commission in the principal amount specified in such notice, which shall be equal to the principal amount of the Advance maturing on such date.

(c) *Term Note.* All Term Loans shall be evidenced by one promissory note of the Commission, designated "Public Utilities Commission of the City and County of San Francisco Liquidity Facility Term Bank Note, Series A-4," in substantially the form of Exhibit B hereto

(the “*Term Note*”) to be issued on the Effective Date, payable to the Bank in a principal amount equal to the Commitment then in effect, plus all interest which accrue on any outstanding Term Loans and otherwise duly completed. All Term Loans made by the Bank and all payments and prepayments made on account of the principal of each Term Loan shall be recorded by the Bank on the schedule attached to the Term Note, it being understood, however, that failure by the Bank to make any such endorsement or any error therein shall not affect the obligations of the Commission hereunder or under the Term Note in respect of unpaid principal of and interest on the Term Loans.

(d) *Scheduled Repayment of Term Loans.* The principal of each Term Loan shall be repaid in installments during a period commencing on its Term Loan Date and terminating on the Amortization End Date (as in effect on such Term Loan Date). The principal installments for each Term Loan shall be due and payable on the first Quarterly Date that is at least one hundred eighty (180) days following the date of the related Advance, on each Quarterly Date thereafter and with the final installment being due and payable on or before the Amortization End Date and the principal amount of each said installment shall be derived by dividing the aggregate principal amount of such Term Loan by the total number of such payment dates.

(e) *Interest.* The Commission shall pay interest on the unpaid principal amount of each Term Loan, subject to the terms of Section 2.4 hereof, from its Term Loan Date until the principal amount thereof is paid in full at the Bank Rate or the Default Rate, as applicable; *provided, however*, that at all times the interest rate payable on any Term Loan shall be subject to the provisions set forth in Section 2.4 hereof. Interest on each Term Loan shall be payable in arrears on the first Business Day of each calendar month and on the Amortization End Date. In addition, in the case of any prepayment of any portion of a Term Loan, interest on the portion so prepaid shall be payable on the date of such prepayment. The Commission’s obligations to repay each Term Loan and to pay interest thereon as provided herein shall be evidenced and secured by the Term Note, and the Commission shall redeem the Term Note on each date on which the Commission is required to make a principal payment on a Term Loan in an amount equal to the Term Loan payment due on such date.

Section 2.3. Interest on Overdue Amounts. If there shall have occurred and be continuing an Event of Default, any amount due hereunder or under the Fee Letter (including, without limitation, fees, commissions, expenses, an Advance, a Term Loan or, to the extent permitted by law, installments of interest thereon) shall bear interest, payable on demand, and subject to the terms of Section 2.4 hereof, from the date the same becomes due until such amount is paid in full at a fluctuating rate per annum equal to the Default Rate; *provided, however*, that at all times the Default Rate shall be subject to the provisions set forth in Section 2.4 hereof.

Section 2.4. Interest Rate Adjustment. If the amount of interest payable in respect of any Advance or Term Loan for any interest payment period ending on any interest payment date (as provided in Section 2.1(f) hereof with respect to Advances and Section 2.2(e) hereof with respect to Term Loans) calculated at the Formula Rate is less than the Maximum Interest Rate, then interest on such Advance or Term Loan shall for such period accrue and be payable at the Formula Rate. If the amount of interest payable in respect of any Advance or Term Loan for any interest payment period ending on any interest payment date calculated at the Formula Rate

exceeds the amount of interest that would be payable for such period had interest been calculated at the Maximum Interest Rate, then interest on such Advance or Term Loan shall for such period accrue and be payable in an amount calculated on the basis of the Maximum Interest Rate. The difference between (a) the amount of interest which would have accrued and been payable on Advances or Term Loans for any interest payment periods at the Formula Rate (calculated without regard to the immediately preceding sentence) and (b) the amount of interest that did accrue and become payable as provided in the immediately preceding sentence is herein referred to as the “**Excess Interest Amount.**” The Bank shall calculate and notify the Commission promptly in writing of the Excess Interest Amount, as the same is determined from time to time; *provided*, that the failure of the Bank to so notify the Commission shall not affect the accrual of or obligation of the Commission to pay such Excess Interest Amount. If there is an Excess Interest Amount, then each Advance and Term Loan shall for the current and each subsequent interest period (or portion thereof) bear interest at the Maximum Interest Rate until such time as the excess of (a) the amount of interest accrued and payable thereon at such rate over (b) the amount of interest that would have accrued and been payable at the Formula Rate equals the Excess Interest Amount; *provided*, that upon termination of this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Commission shall pay, to the extent permitted by law, the Bank a fee equal to the amount of all unpaid Excess Interest Amount.

Section 2.5. Prepayments of Advances and Loans.

(a) *Optional Prepayment.* On any Business Day upon not less than one Business Day’s notice, the Commission may prepay or cause to be prepaid, without penalty, any Advance or Term Loan either in whole or in part in a principal amount equal to \$500,000 and integral multiples of \$1,000 in excess thereof by paying to the Bank (i) the principal amount of the Advance or Term Loan, or portion thereof, being prepaid plus (ii) accrued and unpaid interest on such principal amount.

(b) *Mandatory Prepayment by Reason of Sales of Series A-4 Notes.* Simultaneously with the sale of any Series A-4 Notes while any Advances or Term Loans are outstanding, the Commission shall be obligated (i) first, to pay the principal of Series A-4 Notes maturing on such date and (ii) second, to (A) prepay Advances or Term Loans in a principal amount equal to the principal amount of Series A-4 Notes issued on such date, and (B) pay accrued and unpaid interest on the principal amount of such Advances or Term Loans being prepaid. In order to effectuate such prepayment of Advances or Term Loans and the payment of accrued and unpaid interest thereon, prior to or simultaneously with the sale of any Series A-4 Notes, (i) the Commission shall use its best efforts to cause the Dealers to deliver to the Bank a written notice to the effect that (A) it is selling on the Business Day of such notice a specified principal amount of Series A-4 Notes in excess of the principal amount of Series A-4 Notes maturing on such date, (B) it is delivering to the Issuing and Paying Agent for the account of the Bank on such Business Day by wire transfer a specified amount of immediately available funds which is equal to the principal amount of such Series A-4 Notes in excess of the principal amount of Series A-4 Notes maturing on such date (the “**Sale Price**”), and which constitutes proceeds of such sale, and (C) such specified principal amount of Series A-4 Notes in excess of the principal amount of Series A-4 Notes maturing on such date is being delivered to or upon the order of the Dealer in

accordance with the Issuing and Paying Agent Agreement, and (ii) the Commission shall use its best efforts to cause the Dealers to pay to the Issuing and Paying Agent for the account of the Bank, by wire transfer of immediately available funds, the proceeds of the sale of such Series A-4 Notes in excess of the principal amount of Series A-4 Notes maturing on such date in an amount equal to the Sale Price which shall be applied first, to the prepayment of principal of outstanding Term Loans, second, to the extent sufficient therefore and not otherwise provided for by the Commission, to the payment of interest accrued on such principal amount of Term Loans prepaid, third, to the extent sufficient therefore and not otherwise provided for by the Commission, to the payment of the principal on all outstanding Advances and fourth, to the extent sufficient therefore and not otherwise provided for by the Commission, to the payment of interest accrued on such principal amount of Advances prepaid. Effective immediately upon the receipt by the Bank of the notice referred to in clause (i) above and notification of the Federal funds wire transfer reference numbers with respect to the Sale Price and any transfer of funds from the Commission, the Available Commitment shall be reinstated by an amount equal to the principal amount of the Advances and/or Term Loans prepaid; *provided, however*, that at any time the Bank may, by written notice to the Commission, require that such reinstatement shall occur only upon actual receipt of payments in respect of the Advances or Term Loans to be repaid. In the event that the proceeds of any sale of Series A-4 Notes in excess of the principal amount of Series A-4 Notes maturing on such date are not received from the Dealers or are received in an amount less than the Sale Price thereof (net of any amount already provided by the Commission pursuant to this Section 2.5(b)), the Commission shall pay to the Bank, within three (3) Business Days of the Bank's demand therefor, an amount equal to the amount of such proceeds or such deficiency.

(c) *General Provisions.* Term Loans and Advances shall be prepaid in the order in which made. In the case of a partial prepayment of any Term Loan or an Advance, the installments thereof shall be prepaid in the inverse order of their due dates unless otherwise specified by the Commission.

Section 2.6. Termination or Reduction of Commitment. The Available Commitment shall automatically terminate on the date on which an Alternate Facility has become effective pursuant to the Issuing and Paying Agent Agreement but subject to the provisions of Section 9.12(d) hereof. The Commission shall notify the Bank of such termination by delivering to the Bank a certificate in substantially the form of Exhibit E hereto except that, in the case of any termination as provided in Section 9.12(a) hereof, the delivery of such a certificate shall not be required. The Commission may from time to time reduce the amounts of the Commitment and the Available Commitment by delivering to the Bank a certificate in substantially the form of Exhibit E hereto; *provided*, that the statements set forth in paragraph (b) of such certificate shall be true and correct.

Section 2.7. Increased Costs. If, after the execution and delivery of this Agreement, (1) the introduction of or any change in or in the interpretation of any law, treaty or regulation, (2) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) or (3) the introduction of any applicable law, rule, regulation or guideline regarding capital or liquidity adequacy, or any change therein or any change in the interpretation or administration thereof by any central bank or governmental

authority charged with the interpretation or administration thereof or supervision of compliance by the Bank or any Participant (or any corporation controlling any thereof), with any request, guideline or directive regarding capital adequacy (whether or not having the force of law) of any such central bank or other authority, shall either (x) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, insurance premium, assessment, fee, capital requirement, liquidity ratio, tax (other than income tax) or similar requirement against loan agreements entered into, or credit extended, by the Bank similar to this Agreement, or commitments to advance funds by any Participant in connection with the commitments made by such Participant under its Participation Agreement or (y) impose on the Bank or any Participant any other condition relating, directly or indirectly, to this Agreement, the Revolving Note or the Term Note and the result of any event referred to in (x) or (y) above shall be to (A) increase the cost to the Bank (or any corporation controlling the Bank) of maintaining this Agreement, or to increase the cost of any Participant (or any corporation controlling such Participant) of maintaining its commitment under its Participation Agreement (as the case may be) or (B) reduce any amount (or the effective return on capital or liquidity) received or receivable by the Bank (or any corporation controlling the Bank) hereunder or under the Fee Letter or by a Participant (or any corporation controlling such Participant) under its Participation Agreement, then the Commission shall, upon written notice from the Bank (which notice shall set forth the matters described below), pay to the Bank, for the account of the Bank or such Participant, as the case may be, from time to time as specified by the Bank, such additional amounts as shall be demanded by the Bank as sufficient to compensate the Bank or such Participant, as the case may be, for such increased cost or reduction in yield or return, together with interest thereon at the Default Rate on amounts required to be paid under this Section 2.7 from the date of such notice until payment in full thereof, such amounts shall be due and payable within thirty (30) days after the Commission's receipt of written notice thereof; *provided*, that interest thereon shall not begin to accrue until the thirtieth (30th) day after such demand.

Notwithstanding the foregoing, (i) the amount that any Participant shall be entitled to receive under this Section 2.7 shall in no event exceed the amount that the Bank would have been entitled to receive under this Section 2.7 had such Participant's funding obligations been direct obligations of the Bank and (ii) for purposes of this Section 2.7, all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be included in the provisions of this Section 2.7 regardless of the date enacted, adopted or issued, and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar Institution) or any Governmental Authority with proper jurisdiction over the Bank in regard to the foregoing shall be deemed included in the provisions of this Section 2.7 regardless of the date enacted, adopted or issued.

The Bank shall provide the Commission with written notice of an increased cost or reduction in yield or return to be incurred by the Bank as a result of any event mentioned in this Section 2.7 promptly following the Bank's final determination that such increased cost or reduction in yield or return will be the subject of the certificate described in the next succeeding sentence; *provided, however*, that the failure of the Bank to give any such notice shall not limit or otherwise affect the obligation of the Commission to pay the amount set forth in said certificate. A certificate as to such increased cost or reduction in yield or return incurred by the

Bank as a result of any event mentioned in this Section 2.7, prepared in reasonable detail and in accordance with this Section 2.7, submitted by the Bank to the Commission, shall be conclusive, absent manifest error, as to the amount thereof.

The obligations of the Commission under this Section 2.7 shall survive the termination of this Agreement and the payment in full of all obligations of the Commission hereunder, under the Fee Letter and under the Revolving Note and the Term Note for a period of six (6) months from the latest of the date of termination of this Agreement and the payment of all obligations hereunder (except that if the situation giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above will be extended to include the period of retroactive effect thereof; provided, however, that the foregoing clause shall only survive the termination of this Agreement and the payment of all obligations hereunder for a period of two (2) years).

Section 2.8. Security. Notwithstanding any other provision of this Agreement or any other Basic Document to the contrary, all obligations to the Bank under this Agreement, including, without limitation, the Revolving Note and the Term Note, are limited obligations of the Commission payable solely from the Pledged Revenues, as provided in the Issuing and Paying Agent Agreement.

Section 2.9. Payments and Computations. The Commission shall make or cause to be made each payment hereunder and under the Fee Letter not later than 3:00 P.M. (New York City time) on the day when due, in lawful money of the United States of America, to the Bank, by wire transfer in immediately available funds to the following account: [REDACTED]

[REDACTED], or such other account as the Bank may specify in writing from time to time to the Commission (such account being the “*Payment Office*”). Any payment received after such time shall be deemed to be received on the next succeeding Business Day for purposes of calculating any interest payable in respect thereof. All computations of interest hereunder shall be made on the basis of a year of 365 days or 366 days, as applicable, for the actual number of days elapsed (including the first day but excluding the last day) and all computations of fees hereunder and under the Fee Letter shall be made on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.10. Payment on Non-Business Days. Whenever any payment to be made hereunder, under the Fee Letter or under the Revolving Note or the Term Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest due hereunder.

Section 2.11. Book Entries. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Commission resulting from Advances and Term Loans and the amounts of principal payable and paid from time to time hereunder and the amounts of principal and interest payable to the Bank hereunder and under the Revolving

Note and the Term Note. The failure to record any such amount shall not, however, limit or otherwise affect the obligations of the Commission hereunder to repay all amounts owed hereunder, together with all interest accrued thereon as provided herein.

Section 2.12. Taxes.

(a) To the extent permitted by law, any and all payments by the Commission hereunder, under the Fee Letter or under the Revolving Note or the Term Note shall be made, in accordance with Section 2.9, free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank or any Participant (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank's or Participant's applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If the Commission shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder, under the Fee Letter or under the Revolving Note or the Term Note, then, to the extent permitted by law, (i) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those applicable to additional sums payable under this Section 2.12) the Bank or Participant receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the Commission shall make such withholdings or deductions and (iii) the Commission shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding anything to the contrary contained herein, the Commission shall not be required to pay any additional amount in respect of withholding of United States Federal income taxes pursuant to this Section to the extent such withholding is required because the Bank or Participant has failed to submit any form or certificate that it is entitled to submit under applicable law to qualify for an exemption from such withholding.

(b) In addition, to the extent permitted by law, the Commission agrees to pay any present or future stamp or documentary taxes, charges or similar levies that arise under the laws of the United States of America, the State of New York, the State or any other taxing jurisdiction from any payment made or received hereunder, under the Fee Letter or received under the Revolving Note or the Term Note or from the execution or delivery or otherwise with respect to this Agreement, the Revolving Note or the Term Note (hereinafter referred to as "*Other Taxes*").

(c) Payments by the Commission pursuant to this Section 2.12 shall be made within thirty (30) days from the date the Bank makes written demand therefor which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof, which shall be correct absent manifest error.

(d) Within thirty (30) days after the date of any payment of Taxes by the Commission, the Commission shall furnish to the Bank, at its address referred to in Section 9.9 hereof, the original or a certified copy of a receipt evidencing payment thereof. The Commission shall compensate the Bank or Participant for all losses and expenses sustained by the Bank or Participant as a result of any failure by the Commission to so furnish such copy of such receipt; *provided*, that the Commission shall not be obligated to pay the Bank for any losses or expenses

relating to Taxes or Other Taxes arising from the Bank's or any Participant's gross negligence or willful misconduct.

(e) Without prejudice to the survival of any other agreement of the Commission hereunder, the agreements and obligations contained in this Section 2.12 shall survive the payment in full of principal and interest payable to the Bank hereunder and under the Revolving Note and the Term Note.

(f) Notwithstanding the foregoing, the amount that any Participant shall be entitled to receive under this Section 2.12 shall in no event exceed the amount that the Bank would have been entitled to receive under this Section 2.12 had such Participant's funding obligations been direct obligations of the Bank.

Section 2.13. Subordinated Wastewater Bonds No-Issuance Notice.

(a) *Issuance of Subordinated Wastewater Bonds.* In the case the Commission issues any Subordinated Wastewater Bonds, the Bank may by written notice to the Commission and the Issuing and Paying Agent (a "*Subordinated Bonds No-Issuance Notice*") in substantially the form of Exhibit H-2 hereto declare the Commitment to be reduced to the principal amount of Series A-4 Notes then outstanding and to be permanently reduced further on the maturity date of each such Series A-4 Note by an amount equal to the principal amount of such Series A-4 Note with the Commitment to be terminated upon the last maturity date applicable to all such Series A-4 Notes. Following receipt of a Subordinated Bonds No-Issuance Notice, the Commission shall not issue any additional Series A-4 Notes.

(b) *Timing of Subordinated Bonds No-Issuance Notice.* A Subordinated Bonds No-Issuance Notice that is received by the Commission at or before 3:00 p.m. (New York City time) shall be effective when received. A Subordinated Bonds No-Issuance Notice that is received by the Commission after 3:00 p.m. (New York City time) shall not be effective until the opening of business on the next succeeding Business Day.

(c) *Copies of Notices.* Concurrently with the occurrence of a Subordinated Bonds No-Issuance Notice pursuant to clause (a) of this Section 2.13, the Commission shall give notice to the Issuing and Paying Agent and the Dealers.

In addition, concurrently with giving such notice to the Commission and the Issuing and Paying Agent, the Bank shall provide a copy thereof to the Dealers at their respective addresses referred to in Section 9.9; *provided, however*, that the Bank shall not incur any liability as a result of its failure to provide a copy of such a notice in accordance with this sentence.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Effectiveness. This Agreement shall become effective on the date (the "*Effective Date*") that each of the following conditions precedent has

been fulfilled to the satisfaction of the Bank and counsel to the Bank (such date being hereby designated as July 9, 2019):

(a) *Opinions.* The Bank shall have received (i) an opinion of the City Attorney of the City dated the Effective Date and addressed to the Bank (or on which the Bank may rely) to the effect that (A) the Commission is duly organized and validly existing as a commission of the City pursuant to the Charter with full legal power and authority to execute this Agreement, the Fee Letter and the other Basic Commission Documents to which it is a party and to issue the Commercial Paper Notes; (B) this Agreement, the Fee Letter and the other Basic Commission Documents to which it is a party are valid and binding agreements of the Commission enforceable against the Commission in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium or other laws affecting creditors' rights, to general principles of equity and to limitations on remedies against public agencies; (C) no authorization, approval, consent or order of any agency or body having jurisdiction over the Commission is required which has not been obtained; (D) the issuance of the Commercial Paper Notes and the execution, delivery and performance of this Agreement, the Fee Letter and the other Basic Commission Documents to which it is a party do not conflict with any material law or agreements to which the Commission is a party, or cause a default under any material documents to which the Commission is a party; and (E) no litigation is pending or threatened against the Commission threatening its existence or power, the ability to issue the Commercial Paper Notes or to enter into and perform its obligations under this Agreement, the Fee Letter and the other Basic Commission Documents to which it is a party, or in which a final adverse decision could materially adversely affect the business, operations or financial condition of the Commission, each such opinion (or, in lieu thereof, a reliance letter) to be addressed to the Bank, dated the Effective Date and in form and substance satisfactory to the Bank; (ii) (A) an opinion of the Bond Counsel dated the Effective Date and addressed to the Bank (or on which the Bank may rely) to the effect that (1) the Commission is duly organized and validly existing as a commission of the City pursuant to the Charter with full legal power and authority to execute this Agreement, the Fee Letter and the other Basic Commission Documents and to issue the Commercial Paper Notes, the Revolving Note and the Term Note; and (2) this Agreement, the Fee Letter and the other Basic Commission Documents are valid and binding agreements of the Commission enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium or other laws affecting creditors' rights, to general principles of equity and to limitations on remedies against public agencies and (B) a no adverse effect opinion rendered by Bond Counsel addressed to the Bank or a reliance letter addressed to the Bank with respect to such opinion to the effect that the substitution of an Alternate Facility will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Commercial Paper Notes or for State of California income tax purposes and (iii) a legal opinion from Chapman and Cutler LLP, special counsel to the Bank, addressed to the Bank, dated the Effective Date and in form and substance satisfactory to the Bank.

(b) *Documents.* The Bank shall have received executed copies of this Agreement, the Fee Letter, the City Legislation, the Resolutions, the Issuing and Paying

Agent Agreement, the Dealer Agreements, and the original Revolving Note and the Term Note, including all amendments and supplements, if any, to the foregoing, certified by the Secretary of the Commission, the Clerk of the Board or any Authorized Representative, as applicable, as being in full force and effect on and as of the Effective Date.

(c) *Defaults; Representations and Warranties.* On and as of the Effective Date hereof, (i) no Default or Event of Default hereunder and no default or event of default under any of the other Basic Documents shall have occurred and be continuing or would occur upon the making of any Advance or Term Loan and (ii) the representations of the Commission set forth in Article VI hereof and in each of the other Basic Documents shall be true and correct in all material respects on and as of the Effective Date with the same force and effect as if made on and as of such date.

(d) *No Litigation.* No action, suit, investigation or proceeding shall be pending or, to the knowledge of the Commission, threatened (i) in connection with the Commercial Paper Notes, the other Basic Documents, the Fee Letter or this Agreement or any transactions contemplated thereby or hereby or (ii) against or affecting the Commission, the result of which could have a material adverse effect on the business, properties, operations, prospects or condition (financial or otherwise) of the Commission or its ability to perform its obligations hereunder or under the Commercial Paper Notes or the other Basic Documents or hereunder.

(e) *No Material Adverse Change.* The Bank shall have received the most recent audited financial statements of the Commission and, since the date of such financial statements, (i) no material adverse change shall have occurred in the status of the business, properties, operations, prospects or condition (financial or otherwise) of the Commission or its ability to perform its obligations hereunder or under the Commercial Paper Notes, this Agreement, the Fee Letter or the other Basic Documents and (ii) no law, regulation, ruling or other action (or interpretation or administration thereof) of the United States, the State of California or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations hereunder or under the Commercial Paper Notes, this Agreement, the Fee Letter or the other Basic Documents.

(f) *Certificate.* The Bank shall have received (i) certified copies of all proceedings of the Commission authorizing the execution, delivery and performance of this Agreement, the Fee Letter, the Revolving Note, the Term Note and the other Basic Commission Documents and the transactions contemplated hereby and thereby, (ii) certified copies of the City Legislation and (iii) a certificate or certificates of one or more Authorized Representatives dated the Effective Date certifying to the accuracy of the statements made in Section 3.1(c), (d) and (e) hereof and further certifying the name, incumbency and signature of each individual authorized to sign this Agreement, the Fee Letter, the Revolving Note, the Term Note, the other Basic Commission Documents to which the Commission is a party and the other documents or certificates to be delivered by the Commission pursuant hereto or thereto, on which the Bank may conclusively rely

until a revised certificate is similarly delivered and that the conditions precedent set forth in this Section 3.1 have been satisfied.

(g) *Payment of Fees.* The Bank shall have received all fees and expenses due and payable to the Bank or its legal counsel pursuant to the Fee Letter shall be paid or alternative arrangements satisfactory therefor have been made with the Bank.

(h) *Financial Statements.* The Bank shall have received the audited financial statements of the Commission for the Fiscal Year ended June 30, 2018, and internally prepared quarterly budget reports of the Commission for the most recent fiscal quarter end, and a copy of the current quarterly budgeting status report, if not previously provided.

(i) *Investment Policy and Guidelines.* The Bank shall have received a copy of the current Investment Policy and Guidelines and other permitted investments, certified as of a recent date by an Authorized Representative, which shall be satisfactory to the Bank.

(j) *Swap Policy and Guidelines.* The Bank shall have received a copy of the current Swap Policy and Guidelines and other permitted investments, certified as of a recent date by an Authorized Representative, which shall be satisfactory to the Bank.

(k) *Offering Memorandum.* The Bank shall have received a copy of the Offering Memorandum.

(l) *CUSIP and Rating for Revolving Note and Term Note.* The Bank shall have received written confirmation that (a) a CUSIP number has been obtained from Standard and Poor's CUSIP Services for each of the Revolving Note and the Term Note and (b) each of the Revolving Note and the Term Note (and their related CUSIP numbers) have been assigned a long term rating of at least investment grade from any Rating Agency.

(m) *Series A-4 Notes Rating.* The Bank shall have received written confirmation that the Series A-4 Notes have been rated "P-1" by Moody's and "A-1+" by S&P and that the underlying long-term credit ratings assigned to the Commission's unenhanced Senior Lien Wastewater Bonds are rated at least "AA" by S&P and "Aa3" by Moody's.

(n) *Resolution Requirements.* The Bank has received (i) a certification from an independent engineer that (A) the projects to be financed by indebtedness evidenced by such Commercial Paper Notes meet utility standards, and (B) estimated net revenue will be sufficient to meet operating, maintenance, debt service coverage and other indenture or resolution requirements, as described in Resolution No. 193-17; and (ii) a certification from the San Francisco Planning Department that the facilities financed with such indebtedness will comply with applicable requirements of the California Environmental Quality Act, as described in Resolution No. 193-17.

(o) *Other Matters.* The Bank shall have received such other statements, certificates, agreements, documents and information with respect to the Commission and matters contemplated by this Agreement as the Bank may request.

In addition, (A) the Bank shall have made a reasonable determination that, as of the Effective Date, no law, regulation, ruling or other action of the United States of America, the State of New York, the State or any other Governmental Authority or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Commission, the Issuing and Paying Agent, the Dealers or the Bank from fulfilling their respective obligations under this Agreement and the Basic Documents and (B) no material adverse change in the financial condition of the Commission or in the laws, rules, guidelines, or regulations (or their interpretation or administration) currently in effect and applicable to the parties hereto, the Commission and the transactions contemplated hereby, as reasonably determined by the Bank, shall have occurred. The execution and delivery of this Agreement by the Bank shall signify its having made such determination.

Section 3.2. Conditions Precedent to Each Advance. The obligation of the Bank to make an Advance on any date is subject to the conditions precedent that on the date of such Advance (a) the Bank shall have timely received a properly completed Request for Advance and (b) no Immediate Termination Event shall have occurred and no Suspension Event shall have occurred and be continuing. Unless the Commission shall have otherwise previously advised the Bank in writing, delivery to the Bank of a Request for Advance shall be deemed to constitute a representation and warranty by the Commission that, on the date of such Advance, no Immediate Termination Event shall have occurred and no Suspension Event shall have occurred and be continuing.

Section 3.3. Conditions Precedent to Each Term Loan. The obligation of the Bank to make a Term Loan on its Term Loan Date is subject to the fulfillment of the following conditions precedent to the satisfaction of the Bank:

(a) *No Alternate Facility.* There shall not have been delivered to the Commission any Alternate Facility in replacement of this Agreement.

(b) *Notice of Loan.* The Bank shall have received from the Commission a properly presented and conforming written notice of loan requesting that the Bank make such Term Loan, which shall be dated and received by the Bank from the Commission not less than five (5) Business Days prior to the proposed Term Loan Date.

(c) *No Immediate Termination Event, Suspension Event, Default or Event of Default.* No Immediate Termination Event, Suspension Event, Default or Event of Default shall have occurred and be continuing and the making of the Term Loan shall not result in an Immediate Termination Event, Suspension Event, Default or Event of Default and the representations and warranties of the Commission herein shall be true and correct as if made on the Term Loan Date.

(d) *Receipt of Certificate.* The Bank shall have received on or before each Term Loan Date a certificate of an Authorized Representative dated such Term Loan Date as to compliance with clauses (a) and (c) of this Section 3.3 to be substantially in the form of Exhibit I hereto.

ARTICLE IV

FEES

The Commission shall pay to the Bank the fees (including, without limitation, the Facility Fee), costs, expenses and other amounts described in the Fee Letter at the times specified in the Fee Letter, which is hereby incorporated by reference. All references to amounts due hereunder or under this Agreement will be deemed to include all amounts and obligations (including, without limitation, fees and expenses) due under the Fee Letter. All fees paid under this Agreement and the Fee Letter will be fully earned when due and nonrefundable when paid.

ARTICLE V

OBLIGATIONS ABSOLUTE

Subject to Section 2.8 hereof, the obligations of the Commission to pay the Series A-4 Notes, the Revolving Note and the Term Note and amounts payable hereunder and under the Fee Letter shall be unconditional and irrevocable, and shall survive the termination of this Agreement and shall be paid strictly in accordance with the terms of this Agreement, the Fee Letter and such instruments (as the case may be) under all circumstances, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of this Agreement, the Fee Letter, the Commercial Paper Notes or any of the Basic Documents;

(b) any amendment or waiver of or any consent to departure from the terms of this Agreement, the Fee Letter, the Commercial Paper Notes or any of the Basic Documents;

(c) the existence of any claim, set-off, defense or other right which the Commission or any other person may have at any time against the Issuing and Paying Agent, the Bank or any Participant or any other person or entity, whether in connection with this Agreement, the Fee Letter, the other Basic Documents or the transactions contemplated hereby or thereby or any unrelated transaction;

(d) any demand, statement or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) any non-application or misapplication by the Issuing and Paying Agent, or otherwise of the proceeds of any Advance;

(f) payment by the Bank hereunder to the person entitled thereto against presentation of a Request for Advance which does not comply with the terms hereof;

(g) the surrender or impairment of security for the performance or observance of any of the terms of this Agreement or any Basic Document; and

(h) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into and perform this Agreement, the Commission hereby represents and warrants to the Bank, which representations and warranties shall be deemed to be repeated on and as of the date of each Advance, as follows:

Section 6.1. Organization, Powers, Etc. The Commission (a) is a commission of the City and County of San Francisco organized and existing under the Charter and (b) has the full legal right, power and authority to (i) issue and sell the Commercial Paper Notes in accordance with the Issuing and Paying Agent Agreement; (ii) to control its properties and to carry on its business as now conducted and as contemplated to be conducted in connection with the issuance of the Commercial Paper Notes, and the execution, delivery and performance of its obligations under this Agreement, the Fee Letter, the Revolving Note, the Term Note and the other Basic Documents to which it is a party, (iii) execute, deliver and perform its obligations under the Revolving Note, the Term Note, the Fee Letter, the other Basic Documents to which it is a party and this Agreement, and (iv) to provide for the security of the Commercial Paper Notes, the Revolving Note and the Term Note pursuant to the Charter and the Resolutions; and (c) has complied with all Legal Requirements in all matters related to such actions of the Commission as are contemplated by this Agreement, the Revolving Note, the Term Note, the Fee Letter and the other Basic Documents to which it is a party.

Section 6.2. Authorization, Absence of Conflicts, Etc. The issuance of the Commercial Paper Notes and the execution, delivery and performance by the Commission of this Agreement, the Revolving Note, the Term Note, the Fee Letter and the other Basic Documents to which it is a party (a) have been duly authorized by all necessary action on the part of the Commission, (b) do not and will not conflict with, or result in a violation of, any Legal Requirements, including the Charter, or any order, writ, rule or regulation of any court or governmental agency or instrumentality binding upon or applicable to the Commission which violation would result in a material adverse impact on the Commission and (c) do not and will not conflict with, result in a violation of, or constitute a default under, any resolution, agreement or instrument to which the Commission is a party or by which the Commission or any of its property is bound.

Section 6.3. Binding Obligations; Security for Revolving Note and Term Note.

(a) This Agreement, the Fee Letter, the Revolving Note, the Term Note and each of the other Basic Documents to which the Commission is a party, when executed by the parties hereto and thereto, will be, valid and binding obligations of the Commission (assuming due authorization and execution by the other parties thereto) enforceable against the Commission in accordance with their respective terms, except to the extent, if any, that the enforceability thereof may be limited by (i) any applicable bankruptcy, insolvency, reorganization, moratorium or other similar law of the State or Federal government affecting the enforcement of creditors' rights heretofore or hereafter enacted, (ii) the fact that enforcement may also be subject to the exercise of judicial discretion in appropriate cases and (iii) the limitations on legal remedies against public agencies of the State, if any.

(b) The obligations hereunder, under the Fee Letter and under the Revolving Note and the Term Note are obligations secured by a first Lien on, and payable from, the Pledged Revenues, equally and ratably with any other series of Commercial Paper Notes, any other series or commercial paper notes secured by and payable from Pledged Revenues and any obligations under any credit or liquidity facility secured by and payable from Pledged Revenues supporting such other series of commercial paper notes secured by and payable from Pledged Revenues.

(c) There is no pledge of or Lien on Wastewater Enterprise Revenues that ranks senior to the obligations hereunder, under the Fee Letter, the Revolving Note and the Term Note other than the Senior Lien Wastewater Bonds issued pursuant to the Wastewater Bonds Indenture and the Subordinated Wastewater Bonds issued pursuant to the Subordinated Wastewater Bonds Indenture.

(d) The Series A-4 Notes and the obligations of the Commission under this Agreement, the Fee Letter, the Revolving Note and the Term Note are revenue obligations, and are not secured by the taxing power of the Commission and shall be payable as to both principal and interest from, and shall be secured by a pledge (which pledge shall be effected in the manner and to the extent hereinafter provided) of, the Available Wastewater Enterprise Revenues. The Available Wastewater Enterprise Revenues constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes, including the Series A-4 Notes and the obligations of the Commission under this Agreement, the Fee Letter, the Revolving Note and the Term Note and all Parity Debt secured by the Available Wastewater Enterprise Revenues. The Available Wastewater Enterprise Revenues are hereby pledged to the payment of the Series A-4 Notes and the obligations of the Commission under this Agreement, the Fee Letter, the Revolving Note and the Term Note without priority or distinction of one over the other. The pledge of Available Wastewater Enterprise Revenues herein made shall be irrevocable until all of the Series A-4 Notes and the obligations of the Commission under this Agreement, the Fee Letter, the Revolving Note and the Term Note and any Parity Debt secured by Available Wastewater Enterprise Revenues have been paid and retired and any related obligations of the Commission under this Agreement have been satisfied. The Commission will not issue Debt secured by or payable from the Wastewater Enterprise Revenues on a basis that is senior to the obligations owed to the Bank hereunder, under the Fee Letter, the Revolving Note and the Term Note other than Senior Lien Wastewater Bonds issued pursuant to the Wastewater

Bonds Indenture and Subordinated Wastewater Bonds issued pursuant to the Subordinated Wastewater Bonds Indenture.

(e) No Senior State Loan remains unpaid or is otherwise outstanding.

Section 6.4. Governmental Consent or Approval. No consent, approval, permit, authorization or order of, or registration or filing with, any court or government agency, authority or other instrumentality not already obtained, given or made is required on the part of the Commission for the execution, delivery and performance by the Commission of this Agreement, the Revolving Note, the Term Note, the Fee Letter or any other Basic Document. All consents, approvals, permits, authorizations and orders of, and registrations and filings with, any court or governmental or public agency, authority or other instrumentality required for the issuance, sale, execution, delivery and performance of this Agreement, the Fee Letter, the Revolving Note, the Term Note or any other Basic Document, have been or will be obtained prior to the delivery thereof.

Section 6.5. Absence of Material Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the Commission, threatened against or affecting the Commission, questioning the validity or enforceability of the Charter, the Ordinance or the Resolutions, or any proceeding taken or to be taken by the Commission in connection with the execution, delivery and performance by the Commission of this Agreement, the Revolving Note, the Term Note, the Fee Letter, or any other Basic Document, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the Commission of any of the foregoing, or which, if adversely determined, could reasonably be expected to result in any material adverse change in the financial condition, operations or prospects of the Commission, or wherein an unfavorable decision, ruling or finding would in any way materially adversely affect the transactions contemplated by this Agreement or any of the other Basic Documents to which the Commission is a party.

Section 6.6. Financial Condition. The audited financial statements of the Commission, as at and for the period ended June 30, 2018 (the “2018 Audited Financial Statements”), and all other financial statements of the Commission furnished to the Bank were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved and are subject to certification by independent certified public accountants of nationally recognized standing or by independent certified public accountants otherwise acceptable to the Bank. The 2018 Audited Financial Statements were prepared by KPMG LLP. The data on which such financial statements and budget reports are based were true and correct. The audited financial statements of the Commission for fiscal year 2019 will be prepared by KPMG LLP or similar qualified independent auditing firm. The 2018 Audited Financial Statements and the budget reports present fairly the financial position of the Commission as of the date they purport to represent and the revenues, expenses and changes in fund balances and in financial position for the periods then ended. Since June 30, 2018, no material adverse change has occurred in the business, operations or condition (financial or otherwise) of the Commission.

Section 6.7. Incorporation of Representations and Warranties. The representations and warranties of the Commission set forth in the Basic Documents to which it is a party are true and accurate in all material respects on the Effective Date, as fully as though made on the Effective Date. The Commission makes, as of the Effective Date, each of such representations and warranties to, and for the benefit of, the Bank, as if the same were set forth at length herein together with all applicable definitions thereto. No amendment, modification or termination of any such representations, warranties or definitions contained in the Basic Documents to which the Commission is a party shall be effective to amend, modify or terminate the representations, warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 6.8. Accuracy and Completeness of Information. The Basic Documents and all certificates, financial statements, documents and other written information furnished to the Bank or on behalf of the Commission on or prior to the Effective Date in connection with the transactions contemplated hereby were, as of their respective dates, complete and correct in all material respects to the extent necessary to give the Bank true and accurate knowledge of the subject matter thereof and did not contain any untrue statement of a material fact. To the best knowledge of the Commission, the Offering Memorandum does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, that no representation is made with respect to information included in the Offering Memorandum concerning (i) the Bank, furnished in writing by the Bank expressly for inclusion therein, or (ii) DTC, furnished in writing by DTC expressly for inclusion therein.

Section 6.9. No Default.

(a) No Default or Event of Default under this Agreement has occurred and is continuing that is or would, with the passage of time or the giving of notice, or both, constitute a default by the Commission in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Basic Document.

(b) No “event of default” shall have occurred and be continuing under any other material mortgage, indenture, contract, agreement or undertaking to which the Commission is a party or which purports to be binding on the Commission or on any of its property.

Section 6.10. No Proposed Legal Changes. There is no amendment or, to the knowledge of the Commission, proposed amendment to the Constitution of the State, any State law or the Charter or any administrative interpretation of the Constitution of the State, any State law, or the Charter, or any judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have a material adverse effect on the Commission’s obligations under this Agreement, the Fee Letter, the Revolving Note, the Term Note or the any of the other Basic Documents to which it is a party or the ability of the Commission to perform its obligations in connection herewith or therewith.

Section 6.11. Compliance with Laws, Etc. The Commission is in compliance with the Investment Policy and Guidelines, the Swap Policy and Guidelines and all Legal Requirements

applicable to it, non-compliance with which might have a material adverse effect on the security for the Series A-4 Notes and the obligations under this Agreement, the Fee Letter, the Revolving Note or the Term Note and the validity and enforceability of this Agreement and the other Basic Documents to which it is a party. In addition, no benefit plan maintained by the Commission for its employees is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and the Commission is in compliance with all Legal Requirements in respect of each such benefit plan.

Section 6.12. Environmental Matters. In the ordinary course of its business, the Commission conducts an ongoing review of Environmental Laws on the business, operations and the condition of its property, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of such review, the Commission does not believe that Environmental Laws are likely to have a material adverse effect on the ability of the Commission to make any payments in respect of the Series A-4 Notes, the Revolving Note, the Term Note or any of its obligations hereunder or under the Fee Letter.

Section 6.13. Tax Status of Interest on Commercial Paper Notes. The Commission represents to the Bank that it has not taken any action, and knows of no action that any other Person has taken, which would cause interest on the Series A-4 Notes to be includable in the gross income of the recipients thereof for Federal income tax purposes or which would cause interest on the tax-exempt Commercial Paper Notes to be includable in the gross income of the recipients thereof for State of California income tax purposes.

Section 6.14. Issuing and Paying Agent; Dealers. The Commission represents that U.S. Bank National Association has been appointed the Issuing and Paying Agent for the Commercial Paper Notes. Each Dealer is a duly appointed and acting dealer with respect to the Commercial Paper Notes under its Dealer Agreement and the Resolutions.

Section 6.15. Regulation U. The Commission is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Series A-4 Notes, the Advances or the Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 6.16. ERISA. The Commission does not maintain or contribute to, and has not maintained or contributed to, any Employee Plan that is subject to Title IV of ERISA.

Section 6.17. Liens. The Issuing and Paying Agent Agreement creates a valid Lien on and pledge of the Pledged Revenues, subject only to the provisions of the Issuing and Paying

Agent Agreement permitting the application thereof for purposes and on the terms and conditions set forth therein, the moneys and other property described in Article VI thereof to provide security for the payment of the principal of and interest on the Series A-4 Notes and the obligations of the Commission under this Agreement, the Fee Letter, the Revolving Note and the Term Note, and no filings, recordings, registrations or other actions are necessary to create or perfect such lien.

Section 6.18. Sovereign Immunity. The Commission is not entitled to immunity from legal proceedings to enforce this Agreement, the Fee Letter, the Revolving Note, the Term Note, the Series A-4 Notes or any other Basic Document (including, without limitation, immunity from service of process or immunity from jurisdiction of any court otherwise having jurisdiction) and is subject to claims and suits for damages in connection with its obligations under this Agreement, the Fee Letter, the Revolving Note, the Term Note, the Series A-4 Notes or any other Basic Document.

Section 6.19. City Business Days. Attached to this Agreement as Exhibit F is a complete and accurate list of the days that are legal holidays of the City for 2019, as well as any other day the City is authorized by law to be closed for official business during 2019.

Section 6.20. Usury. The terms of this Agreement and the Basic Documents, to which the Commission is a party, regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

Section 6.21. Insurance. As of the Effective Date, the Commission maintains such insurance, including self-insurance, as is required by Section 7.1(l) hereof.

ARTICLE VII

COVENANTS

Section 7.1. Affirmative Covenants. As long as this Agreement is in effect, and until all amounts payable hereunder, the Fee Letter, the Revolving Note and the Term Note are indefeasibly paid in full, the Commission will perform and observe the covenants set forth below:

(a) *Accounting and Reports.* The Commission will maintain a standard system of accounting in accordance with GAAP consistently applied and furnish to the Bank:

(i) as soon as practicable and, in any event, within one-hundred eighty (180) days after the end of each Fiscal Year of the Commission, a balance sheet of the Commission as at the end of such Fiscal Year and statements of income, changes in fund balances and cash flows for the Fiscal Year then ended, all in reasonable detail prepared in accordance with GAAP consistently applied, accompanied by (A) a report and opinion of the Commission's independent accountants (who shall be of nationally recognized standing or an independent

certified public accountant otherwise acceptable to the Bank) which report and opinion shall have been prepared in accordance with generally accepted auditing standards; and (B) a compliance certificate, substantially in the form of Exhibit L hereto, signed by an Authorized Representative stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default;

(ii) as soon as practicable and, in any event, within forty-five (45) days after the end of each of the first three fiscal quarters of each Fiscal Year of the Commission, a quarterly budgetary status report (substantially in the form previously provided to the Bank) in reasonable detail;

(iii) as soon as practicable but, in any event, within ten (10) days after the issuance thereof, copies of any prospectus, official statement, offering circular, placement memorandum or similar document, and any supplements thereto and updates and amendments thereof (including any filings made pursuant to Rule 15c2-12 under the Securities Act of 1933, as amended), that the Commission makes available in connection with the offering for sale of any bonds or notes of which it is the issuer and copies of any other financial reports or other written information distributed generally to holders of bonds or notes issued by the Commission;

(iv) within ten (10) days after the publication thereof, a copy of its Annual Budget for the next Fiscal Year and such additional period as may be covered by such Budget, which Budget shall include all obligations due hereunder, under the Fee Letter and in connection with the Commercial Paper Notes, the Revolving Note and the Term Note; and

(v) with reasonable promptness, such other data regarding the financial position or business of the Commission or its property as the Bank may reasonably request from time to time.

As and to the extent that any financial statement, audit report or other filing described in Section 7.1(a) hereof has been filed in accordance with the terms thereof with any nationally recognized municipal securities information repository and with the Municipal Securities Rulemaking Board, or posted to the Commission's website, as appropriate, and the Commission has provided written notice thereof to the Bank or notice is otherwise provided to the Bank, the requirements of Section 7.1(a) hereof with respect thereto shall be deemed satisfied.

(b) *Access to Records.* At any reasonable time and from time to time, during normal business hours and on at least five (5) Business Days' notice, the Commission will permit the Bank or any of its agents or representatives to visit and inspect any of the properties of the Commission and the other assets of the Commission, to examine the books of account of the Commission (and to make copies thereof and extracts therefrom),

and to discuss the affairs, finances and accounts of the Commission with, and to be advised as to the same by, its officers, all at such reasonable times and intervals as the Bank may reasonably request.

(c) *Compliance with Documents and Other Debt Documents; Operation and Maintenance of Wastewater Enterprise.*

(i) The Commission will perform and comply with each covenant set forth in the Basic Documents and in any other authorizing document that shall be entered into by the Commission and created subsequent to the Effective Date with respect to the Commercial Paper Notes, the Senior Lien Wastewater Documents, the Subordinated Wastewater Bonds or any Parity Debt including, without limitation, each line of credit, letter of credit, bond insurance policy, surety bond or other form of credit or liquidity enhancement the Commission may provide in conjunction with the issuance of any Senior Lien Wastewater Bonds, Subordinated Wastewater Bonds and Parity Debt (the foregoing documents (exclusive of the Basic Documents) being referred to herein as “*Other Debt Documents*”). By the terms of this Agreement, the Bank shall be a third party beneficiary of the covenants set forth in each of the Basic Documents, including each amendment and supplement to the foregoing, and in each Other Debt Document, and each such covenant, together with the related definitions of terms contained therein, is hereby incorporated by reference herein with the same effect as if it were set forth herein in its entirety. Except as otherwise set forth in paragraph (ii) below and in Section 7.2(a) hereof, the Commission will not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or release or permit the release of any collateral held under any of the Basic Documents or any Other Debt Document in any manner without the prior written consent of the Bank, and the Commission will take, or cause to be taken, all such actions as may be reasonably requested by the Bank to strictly enforce the obligations of the other parties to any of the Basic Documents and any Other Debt Documents, as well as each of the covenants set forth therein. The Commission shall give prior written notice to the Bank of any action referred to in this subparagraph (i).

(ii) The Commission covenants that it will maintain and preserve the Wastewater Enterprise in good repair and working order at all times from the Wastewater Enterprise Revenues, available for such purposes, in conformity with standards customarily followed for municipal sanitary waste and storm water collection, treatment and disposal systems of like size and character. The Commission will from time to time make all necessary and proper repairs, renewals, replacements and substitutions to the properties of the Wastewater Enterprise, so that at all times business carried on in connection with the Wastewater Enterprise shall and can be properly and advantageously conducted in an efficient manner and at reasonable cost, and will operate the Wastewater

Enterprise in an efficient and economical manner and shall not commit or allow any waste with respect to the Wastewater Enterprise.

(d) *Defaults.* The Commission will notify the Bank of any Default or Event of Default of which the Commission has knowledge, as soon as possible and, in any event, within three (3) Business Days of acquiring knowledge thereof, setting forth the details of such Default or Event of Default and the action which the Commission has taken and proposes to take with respect thereto.

(e) *Compliance with Laws.* The Commission will comply in all material respects with all Legal Requirements binding upon or applicable to the Commission (including Environmental Laws) and material to this Agreement, the Fee Letter, the Revolving Note, the Term Note or any other Basic Documents.

(f) *Commercial Paper Notes.* No Commercial Paper Note issued pursuant to the Resolutions shall have a maturity of greater than two hundred seventy (270) days from the date of issuance.

(g) *Use of Proceeds of the Commercial Paper Notes.* The Commission will use the proceeds derived from the sale of the Commercial Paper Notes only for the purposes set forth in the Resolutions and for such other purpose or purposes as may be approved by the Bank. In addition, the Commission will not use, nor permit the use of, the proceeds of the Commercial Paper Notes, Advances or Term Loans to be applied in violation of Regulation U issued by the Board of Governors of the Federal Reserve System.

(h) *Litigation Notice.* The Commission covenants that it will promptly give notice to the Bank of any action, suit or proceeding actually known to it at law or in equity or by or before any court, governmental instrumentality or other agency which, if adversely determined, would materially impair the ability of the Commission to perform its obligations under the Commercial Paper Notes, the Revolving Note, the Term Note, this Agreement, the Fee Letter or the other Basic Documents.

(i) *Investment Policy and Guidelines.* The Commission shall promptly notify the Bank in writing, not less than thirty (30) days after the Commission's formal consideration thereof, of any change proposed to the Investment Policy and Guidelines, which proposed change would increase the types of investments permitted thereby as of the Effective Date; and which notice shall also confirm compliance with State law.

(j) *Further Assurances.* The Commission shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Bank, all such instruments and documents as are usual and customary or advisable to carry out the intent and purpose of this Agreement, the Revolving Note, the Term Note and the Basic Documents.

(k) *Notices.* The Commission will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any “event of default” under the Issuing and Paying Agent Agreement, any other Basic Document or any Senior Debt or any other document pursuant to which Wastewater Enterprise Debt is issued, incurred, enhanced or purchased, (ii) notice of the failure by any Dealer or the Issuing and the Paying Agent to perform any of their respective obligations under the applicable Dealer Agreement or the Issuing and Paying Agent Agreement, as applicable, (iii) copies of any communications received from any taxing authority, securities regulatory authority or Rating Agency with respect to the Commercial Paper Notes, any additional obligations, any Senior Debt, any Parity Debt or the transactions contemplated hereby, which are not restricted or prohibited from being shared under the law or the direction of a court of competent jurisdiction or other Governmental Authority or, with respect to Rating Agency reports, confidential draft Rating Agency reports, (iv) notice of any proposed substitution of this Agreement, (v) notice of any proposed amendment to the Issuing and Paying Agent Agreement or the Resolutions or any other Basic Document and copies of all such amendments promptly following the execution thereof and (vi) notice of the passage of any state or local ordinance, law or rule not of general applicability to all Persons of which the Commission has knowledge, which could reasonably be expected to have a material adverse effect on the Commission’s ability to perform its obligations under this Agreement or the other Basic Documents or which could be reasonably expected to result in a material adverse effect on the enforceability or validity of this Agreement or any of the other Basic Documents.

(l) *Maintenance of Insurance.* The Commission shall maintain, or cause to be maintained, at all times insurance on and with respect to its properties with responsible and reputable insurance companies; *provided, however,* that the Commission may maintain self-insurance on general liability, its properties not covered by the Public Entity Property Insurance Program, worker’s compensation and vehicle liability and, with the consent of the Bank, such other self-insurance as it deems prudent. Such insurance shall include casualty, liability and workers’ compensation and be in amounts and with deductibles and exclusions customary and reasonable for governmental entities of similar size and with similar operations as the Commission. The Commission shall, upon request of the Bank, furnish evidence of such insurance to the Bank. The Commission shall also procure and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any Wastewater Enterprise Revenues or funds of the Wastewater Enterprise, such insurance or bond to be in an aggregate amount at least equal to the maximum amount of such Wastewater Enterprise Revenues or funds at any one time in the custody of all such officers and employees or in the amount of one million dollars (\$1,000,000), whichever is less. The insurance described above may be provided as part of any comprehensive fidelity and other insurance and not separately for the Wastewater Enterprise.

(m) *Alternate Facility.*

(i) The Commission agrees to use commercially reasonable efforts to obtain an Alternate Facility to replace this Agreement (or otherwise refinance the

Series A-4 Notes) in the event (A) the Bank shall decide not to extend the Commitment Expiration Date pursuant to Section 9.12(b) hereof, (B) an Event of Default has occurred and is continuing, (C) the Commission terminates the Commitment pursuant to Section 2.6 hereof or (D) the Bank declares all amounts due hereunder, the Fee Letter and under the Revolving Note and the Term Note shall immediately become due and payable. The Commission shall not cause an Alternate Facility to become effective with respect to less than all the Series A-4 Notes without the prior written consent of the Bank.

(ii) The Commission agrees that any termination of this Agreement as a result of the provision of any Alternate Facility will require, as a condition thereto, that the Commission provide funds on the date of such termination, which funds will be sufficient to pay all amounts due to the Bank hereunder and under the Fee Letter including, without limitation, the amounts due with respect to the Revolving Note and the Term Note together, in each case, with accrued but unpaid interest thereon. On the date of such termination, the Commission shall pay to the Bank an amount equal to the outstanding principal amount, together with any accrued but unpaid interest thereon, of any and all other obligations (other than Term Loans) due and owing hereunder and under the Fee Letter.

(n) *Preservation of Security.* The Commission shall take any and all actions necessary or reasonably requested by the Bank to maintain the security pledged in favor of the Revolving Note and the Term Note as described in Section 6.3 hereof.

(o) *City Business Days.* During the term of this Agreement, upon learning of any change in the legal holidays of the City or the day or days that the City is authorized by law to be closed for official business, as initially listed on Exhibit F attached hereto, the Commission shall promptly send the Bank written notice of such change(s), in the form of an updated complete list, which shall replace Exhibit F attached hereto.

(p) *Pledge of Available Revenues.* The Series A-4 Notes and the obligations of the Commission under the Agreement, the Fee Letter, the Revolving Note and the Term Note are revenue obligations, and are not secured by the taxing power of the Commission and shall be payable as to both principal and interest from, and shall be secured by a pledge (which pledge shall be effected in the manner and to the extent hereinafter provided) of, the Available Wastewater Enterprise Revenues. The Available Wastewater Enterprise Revenues constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes, including the Series A-4 Notes and the obligations of the Commission under the Agreement, the Fee Letter, the Revolving Note and the Term Note and all Parity Debt secured by the Available Wastewater Enterprise Revenues. The Available Wastewater Enterprise Revenues are hereby pledged to the payment of the Series A-4 Notes and the obligations of the Commission under the Agreement, the Fee Letter, the Revolving Note and the Term Note without priority or distinction of one over the other. The pledge of Available Wastewater Enterprise Revenues herein made shall be irrevocable until all of the Series A-4 Notes and the obligations of the Commission under the Agreement, the Fee Letter, the

Revolving Note and the Term Note and any Parity Debt secured by Available Wastewater Enterprise Revenues have been paid and retired and any related obligations of the Commission under this Agreement have been satisfied. The Commission will not issue Debt secured by or payable from the Wastewater Enterprise Revenues on a basis that is senior to the obligations owed to the Bank hereunder, under the Fee Letter, the Revolving Note and the Term Note other than Senior Lien Wastewater Bonds issued pursuant to the Wastewater Bonds Indenture and Subordinated Wastewater Bonds issued pursuant to the Subordinated Wastewater Bonds Indenture.

(q) *Available Revenues.* (i) *(Wastewater Enterprise Debt).* The Commission covenants to establish, maintain and collect rates and charges with respect to the Wastewater Enterprise sufficient (after giving effect to the expected receipt of refinancing proceeds from the sale of Parity Notes, Senior Lien Wastewater Bonds and Subordinated Wastewater Bonds) to pay the Commercial Paper Notes, the Revolving Note, the Term Note and all other obligations payable from Wastewater Enterprise Revenues.

(ii) *(Senior Debt).* Prior to the Amendment Effective Date:

(A) The Commission covenants to, at all times while any of the Bonds remain outstanding, establish, fix, prescribe and collect rates, fees and charges in connection with the sanitary waste and storm water collection, treatment and disposal services and facilities furnished by the Enterprise so as to yield Revenues at least sufficient, after making reasonable allowances for contingencies and error in the estimates, calculated on a cash basis, to pay the following amounts:

(1) The interest on and principal of the Bonds as they become due and payable (but not including any interest moneys for the payment of which have been deposited in the Interest Fund from the proceeds of any series of Bonds or from any other source).

(2) All other payments required for compliance with the terms of the Wastewater Bonds Indenture and of any Supplemental Indenture (as defined in the Wastewater Bonds Indenture) providing for the issuance of additional series of Bonds pursuant to Article III of the Wastewater Bonds Indenture.

(3) All other payments to meet any other obligations of the Commission which are charges, liens or encumbrances upon, or payable from, the Revenues.

(4) All current Operation and Maintenance Costs of the Enterprise (but not including such Operation and Maintenance Costs of the Enterprise as are scheduled to be paid by the Commission from moneys other than Revenues, such moneys to be clearly available for such purpose).

(B) In addition to the requirements of the foregoing subsection (A), at all times while any of the Senior Lien Wastewater Bonds remain Outstanding (as defined in the Wastewater Bonds Indenture), rates, fees and charges in connection with the sanitary waste and storm water collection, treatment and disposal services and facilities furnished by the Enterprise shall be established, fixed, prescribed and collected so as to yield Net Revenues during the then immediately ensuing period of twelve months which (together with any fund balances of the Commission or the Enterprise which are available for payment of Debt Service and are not budgeted to be expended during such twelve months but excluding the Bond Reserve Fund (as defined in the Wastewater Bonds Indenture)), calculated on a cash basis, are equal to at least 1.25 times Annual Debt Service (but excluding any interest moneys for the payment of which have been deposited in the Interest Fund from the proceeds of any series of Bonds or from any other source) for said twelve-month period.

(C) The Commission may make adjustments from time to time in such rates, fees and charges and may make such classification thereof as it deems necessary, but shall not reduce such rates, fees and charges below those then in effect unless the Revenues resulting after such reduced rates are put into effect will at all times be sufficient to meet the requirements of this Section.

(iii) (*Senior Debt*). On and after the Amendment Effective Date:

(A) To the fullest extent permitted by law, the Commission shall establish, fix and prescribe, prior to the commencement of each Fiscal Year, rates, fees and charges in connection with the sanitary waste and storm water collection, treatment and disposal services and facilities furnished by the Enterprise so as to yield Revenues at least sufficient, after making reasonable allowances for contingencies and error in the estimates to pay the following amounts:

(1) The interest on and principal of the Bonds as they become due and payable (but not including any interest moneys for the payment of which have been deposited in the Interest Fund from the proceeds of any series of Bonds or from any other source).

(2) All other payments required for compliance with the terms of the Wastewater Bonds Indenture and of any Supplemental Indenture (as defined in the Wastewater Bonds Indenture) providing for the issuance of additional series of Bonds pursuant to Article III of the Wastewater Bonds Indenture.

(3) All other payments to meet any other obligations of the Commission which are charges, liens or encumbrances upon, or payable from, the Revenues.

(4) All current Operation and Maintenance Costs of the Enterprise (but not including such Operation and Maintenance Costs of the Enterprise as are scheduled to be paid by the Commission from moneys other than Revenues, such moneys to be clearly available for such purpose).

(B) In addition to the requirements in subsection (A), to the fullest extent permitted by law, the Commission shall establish, fix and prescribe, prior to the commencement of each Fiscal Year, rates, fees and charges in connection with the sanitary waste and storm water collection, treatment and disposal services and facilities furnished by the Enterprise, which are reasonably expected to be at least sufficient to yield during such Fiscal Year Net Revenues (together with any fund balances of the Commission, which are available for Debt Service, but excluding the Bond Reserve Fund) equal to 1.25 times Annual Debt Service payable in such Fiscal Year.

(C) The Commission may make adjustments from time to time in such rates, fees and charges and may make such classification thereof as it deems necessary, but shall not reduce such rates, fees and charges below those then in effect unless the Revenues resulting after such reduced rates are put into effect will at all times be sufficient to meet the requirements of this Section.

(D) So long as the Commission has complied with its obligations described in clause (A) and clause (B) of this Section 7.1(q)(iii), the failure to yield the amount of Revenues as set forth in clause (A) of this Section 7.1(q)(iii), or the failure of Net Revenues to equal 1.25 times Annual Debt Service as set forth in clause (B) of this Section 7.1(q)(iii) at the end of a Fiscal Year, shall not constitute a default or an Event of Default hereunder so long as the Commission has complied with clause (A) and clause (B) of this Section 7.1(q)(iii) at the commencement of the succeeding Fiscal Year.

(r) *Budget.* The Commission shall include in each annual budget of the Commission all amounts reasonably anticipated to be necessary to pay all obligations due to the Bank hereunder and under the Fee Letter (including, without limitation, the Revolving Note and the Term Note). If the amounts so budgeted are not adequate for the payment of the obligations due hereunder and under the Fee Letter and in connection with the Revolving Note and the Term Note, the Commission will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be paid to the Bank during the course of the Fiscal Year to which such annual budget applies.

(s) *Payment of Taxes, Etc.* The Commission will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Commission on account of the Wastewater Enterprise or any portion thereof and which, if unpaid, might impair the security of the Commercial Paper Notes, when the same shall become due, but nothing herein contained

shall require the Commission to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. The Commission will duly observe and conform with all valid material requirements of any governmental authority relative to the Wastewater Enterprise or any part thereof.

(t) *Notice of Rating Change.* The Commission shall use its best efforts to notify the Bank as soon as practicable of any suspension, reduction or withdrawal in the senior long-term rating of any debt or lease of the Commission secured by Wastewater Enterprise Revenues.

(u) *Issuing and Paying Agent and Dealer.*

(i) The Commission shall at all times maintain a Dealer with respect to the Series A-4 Notes. The Commission shall use its best efforts at all times to enforce the Dealer Agreement. The Commission agrees to cause the Dealer to use its best efforts to sell the Series A-4 Notes up to the maximum rate applicable to the Series A-4 Notes in order to repay maturing Series A-4 Notes. Each Dealer Agreement shall provide that the related Dealer may not resign until the earlier of (A) the appointment of a Dealer which is acceptable to the Bank and such Dealer's acceptance of such appointment and (B) the date which is at least sixty (60) days following the receipt by the Commission, the Issuing and Paying Agent and the Bank of prior written notice of such resignation.

(ii) On and after the Effective Date, the Commission shall at all times maintain an Issuing and Paying Agent pursuant to the terms of the Issuing and Paying Agent Agreement. Any successor Issuing and Paying Agent (or any parent or affiliate of such Issuing and Paying Agent) shall have capital of not less than \$500,000,000, and underlying ratings from Moody's, S&P and Fitch of at least "A3" (or its equivalent), "A-" (or its equivalent) and "A-" (or its equivalent), respectively (unless, in each instance, the Bank in its discretion provides in writing an exception for a particular Issuing and Paying Agent under specified circumstances).

(iii) In no event shall the Commission permit any Dealer other than a Qualified Dealer to act as dealer for the Series A-4 Notes. In the event that any material adverse change shall have occurred in the status of the financial condition of any Qualified Dealer or its ability to perform its obligations under the dealer agreement to which it is a party, the Commission shall promptly disqualify, and if it desires replace, such Qualified Dealer and appoint another Qualified Dealer with respect to the Series A-4 Notes. If any Advance or Term Loan remains outstanding for a period of thirty (30) consecutive calendar days or any Dealer fails to perform its duties under the Dealer Agreement, at the written direction of the Bank, the Commission shall cause the related Dealer (that has been unable to sell rollover Series A-4 Notes or fails to perform its duties) to be replaced with a Dealer reasonably satisfactory to the Bank within thirty (30) calendar days of the receipt of such written direction. Any successor Dealer (or

any parent or affiliate of such Dealer shall have capital of not less than \$500,000,000, and underlying ratings from Moody's, S&P and Fitch of at least "A3" (or its equivalent), "A-" (or its equivalent) and "A-" (or its equivalent), respectively (unless, in each instance, the Bank in its discretion provides in writing an exception for a particular Dealer under specified circumstances).

(v) *Maintenance of Ratings on Notes.* The Commission shall at all times (i) maintain at least one short term rating on the Series A-4 Notes by either Moody's or S&P, (ii) maintain at least one of Moody's or S&P's long term unenhanced debt rating on Senior Debt and (iii) cause at least one of Moody's or S&P to maintain a long-term rating on each of the Revolving Note and the Term Note.

(w) *Defeasance of Series A-4 Notes.* Series A-4 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 the Series A-4 Notes either (i) shall have been made or caused to be made in accordance with the terms of the Series A-4 Notes, Section 9.05 of the Issuing and Paying Agent Agreement and this Agreement or (ii) shall have been provided for by irrevocably depositing with the Issuing and Paying Agent in trust and irrevocably setting aside exclusively for such payment (A) moneys, or, if at least one day prior to the date of such deposit, there shall not have been delivered to the Commission and/or the Issuing and Paying Agent written evidence from each Rating Agency then maintaining a rating on the Series A-4 Notes, that such defeasance will not, in and of itself, result in any rating then assigned to the Series A-4 Notes being suspended, reduced or withdrawn, Available Moneys sufficient to make such payment and/or (B) 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 in Government Obligations, to pay when due the principal amount of the Series A-4 Notes, including accrued interest thereon; provided that if payment of the principal of, and interest on the Series A-4 Notes is paid pursuant to (i) above, the Issuing and Paying Agent shall have received (x) a verification report from an independent firm of nationally recognized 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 the Series A-4 Notes in full on the maturity date, and (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 the Series A-4 Notes are no longer Outstanding under the Issuing and Paying Agent Agreement, a copy of which opinion shall be provided to any Rating Agency then rating the Series A-4 Notes.

Section 7.2. Negative Covenants. As long as this Agreement is in effect, and until all amounts payable hereunder, including under the Revolving Note and the Term Note, are indefeasibly paid in full, the Commission shall not, unless the Bank shall otherwise consent in writing:

(a) *Amendments.* Subject to Section 7.1(c) hereof, directly or indirectly amend, supplement or terminate any of the Basic Documents or the Wastewater Bonds Indenture, except that (i) the Commission may amend or modify, or permit to be amended or modified, any of the Basic Documents (as and to the extent the Commission's participation is required for such purpose) in a manner (A) not relating to the duties, obligations or rights of the Bank, under this Agreement or (B) not having a material adverse effect on (x) the ability of the Commission to pay when due the principal of or interest on the Series A-4 Notes and the obligations of the Commission under the Agreement, the Fee Letter, the Revolving Note and the Term Note or (y) the security, rights or remedies of the Bank hereunder or under any Basic Document, the Revolving Note or the Term Note, without the prior written consent of the Bank; and (ii) the Commission may amend the Offering Memorandum to update information relating to any entity described therein other than the Bank. The Commission agrees to deliver to the Bank copies of all such amendments, modification, supplements or other changes at least ten (10) Business Days prior to the effective date of any such amendment, modification, supplement. The Bank shall, within five (5) Business Days, inform the Commission in writing if, in its reasonable discretion, such amendments, modification, supplements or other change shall require the prior written consent of the Bank in accordance with this Section 7.2(a). Notwithstanding the foregoing, the Commission may perform ministerial duties, make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision as the Commission may deem necessary or desirable, in any case which do not materially adversely affect the security, rights or remedies of the Bank hereunder or under any Basic Document, the Revolving Note or the Term Note and, solely in connection with the issuance of additional Debt, issue Debt in strict compliance with the terms of the governing documents related thereto without the Bank's prior written consent.

(b) *Merger, Disposition of Assets.* Consolidate or merge with or into any person or sell, lease or otherwise transfer all or substantially all of its assets to any person.

(c) *Preservation of Corporate Existence, Etc.* Take any action to terminate its existence as a body politic and corporate and a political subdivision of the State or its rights and privileges as such entity within the State.

(d) *Total Outstanding.* Permit the aggregate principal amount of all Series A-4 Notes (including the Revolving Note and the Term Note) outstanding at any time to exceed \$75,000,000 (except as provided in Section 7.2(f) hereof); or permit the aggregate principal amount of all Series A-4 Notes (including the Revolving Note and the Term Note) outstanding at any time to exceed the Commitment at such time.

(e) *Exempt Status.* Take any action, omit to take any action or cause or permit another person to take any action or omit to take any action, which, if taken or omitted, would adversely affect the excludability of interest on the tax-exempt Commercial Paper Notes from the gross income of the holders thereof for purposes of Federal income taxation.

(f) *Issue Debt.* Issue any Senior Debt or Parity Debt unless:

(i) such Senior Debt or Parity Debt will not exceed at any time any limitation set forth in the Constitution or other laws of the State, the Charter, the Resolutions, the City Legislation, the Wastewater Bonds Indenture or any supplement thereto, any other resolutions adopted by the Commission, or the Issuing and Paying Agent Agreement;

(ii) any such Senior Debt (excluding Debt Service Reserve Debt) shall be issued in compliance with the Wastewater Bonds Indenture, provided, however, that any refunding Senior Debt shall be issued in compliance with the Wastewater Bonds Indenture and shall not be subject to the terms of this Section 7.2(f);

(iii) in connection with the issuance of any additional Senior Debt, the Commission will provide certificates to the Bank evidencing compliance with the requirements set forth in the Wastewater Bonds Indenture, as applicable; *provided*, that the Bank has reviewed the forms of certificates and reports of the Commission required under the Wastewater Bonds Indenture in connection with the issuance of such additional Senior Debt, copies of examples of which are attached hereto as Exhibit J, and has agreed that the delivery of a copy of such certificates and reports, substantially in the form attached hereto as Exhibit J shall be sufficient to satisfy the requirements of the Wastewater Bonds Indenture;

(iv) the issuance of Parity Debt will not result in the creation of a Lien on the Pledged Revenues or any of the funds and accounts pledged to secure the Series A-4 Notes or the obligations under the Agreement, the Fee Letter, the Revolving Note and the Term Note pursuant to the Basic Documents that is senior to the Lien securing the Series A-4 Notes or the obligations under the Agreement, the Fee Letter, the Revolving Note and the Term Note; and

(v) any such Parity Debt shall be issued in compliance with Section 5.07 of the Issuing and Paying Agent Agreement;

(vi) in connection with the issuance of any additional Parity Debt, the Commission will provide the Bank certificates demonstrating compliance with the requirements set forth in Section 5.07 of the Issuing and Paying Agent Agreement;

(vii) the Commission shall not issue any additional Senior State Loans; and

(vii) no Default or Event of Default shall have occurred and be continuing hereunder as a result thereof.

(g) *Use of Bank's Name.* Permit the use of the Bank's name in any official statement or other offering document unless the Bank shall have approved in writing the description of the Bank contained in such document.

(h) *Arbitrage Bonds; Tax-Exempt Status.* Invest the proceeds of the Series A-4 Notes in any way that would violate the Code or cause the Serie A-4 Notes to be deemed "arbitrage bonds" or take any action or omit to take any action if such action or omission would adversely affect the exclusion of interest on the Series A-4 Notes from gross income of the holders thereof for Federal income tax purposes.

(i) *Other Facilities.* In the event that the Commission shall enter into any credit agreement, standby bond purchase agreement (excluding bond purchase agreements in connection with an initial security offering), liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which any Person or Persons undertakes to make or provide funds to provide liquidity or credit support for any Parity Debt or Senior Debt (but excluding Debt Service Reserve Debt) (each, a "*Bank Agreement*"), which such Bank Agreement (or amendment thereto) provides such Person with more restrictive or different covenants, more restrictive or different events of default, and/or greater rights and remedies (other than pricing or interest rate increases or a higher priority with respect to the lien on the Wastewater Enterprise Revenues securing such debt obligations) than are provided to the Bank in this Agreement, such provisions shall automatically be deemed incorporated into this Agreement. Upon the reasonable request of the Bank made within thirty (30) days of receipt of any notice, the Commission shall promptly enter into an amendment to this Agreement to include such more restrictive or different covenants, more restrictive or different events of default or greater rights or remedies to be effective as of the date of receipt of any notice (provided that the Bank shall have the benefit of such more restrictive or different covenants, more restrictive or different events of default or greater rights and remedies as of the date of receipt of any notice upon delivery by the Bank of written notice to the Commission within 30 days of receipt of any notice identifying any more restrictive or different covenants, more restrictive or different events of default or greater rights or remedies). Notwithstanding anything to the contrary set forth in this Agreement, (1) the obligations of the Bank hereunder may not be immediately terminated or suspended other than as a result of an Immediate Termination Event or a Suspension Event (in each case, as such terms are defined as of the Effective Date or as amended pursuant to any amendment hereto provided that, in connection with any such amendment, (a) the then-current ratings on the Series A-4 Notes shall have been confirmed by each Rating Agency then rating the Series A-4 Notes and (b) such amendment shall only become effective on a date on which all Series A-4 Notes have matured (and the Commission shall (x) use its best efforts to cause any Series A-4 Notes outstanding on and after the date on which the related Bank Agreement becomes effective to be rolled only to the maturity date of the longest maturity date of any outstanding Series A-4 Notes on the date on which the related Bank Agreement becomes effective and (y) update the Offering Memorandum with respect to the related changes prior to offering Series A-4 Notes after such date with the amendments)) and (2) no additional condition precedent to the extension of Advances may be added to Section 3.2

hereof unless (a) in connection with such amendment the then-current ratings on the Series A-4 Notes have been confirmed by each Rating Agency then rating the Series A-4 Notes and (b) such amendment shall only become effective on a date on which all Series A-4 Notes have matured (and the Commission shall (x) use its best efforts to cause any Series A-4 Notes outstanding on and after the date on which the related Bank Agreement becomes effective to be rolled only to the maturity date of the longest maturity date of any outstanding Series A-4 Notes on the date on which the related Bank Agreement becomes effective and (y) update the Offering Memorandum with respect to the related changes prior to offering Series A-4 Notes after such date with the amendments)).

(j) *Liens*. Create or suffer to exist or permit any Lien on the Pledged Revenues other than the Liens permitted by the Resolutions or any other resolutions, Liens created or permitted by the Issuing and Paying Agent Agreement, or Liens that are junior and subordinate to the Lien created by the Issuing and Paying Agent Agreement under terms and conditions satisfactory to the Bank.

(k) *Sovereign Immunity*. Assert the defense of any future right to sovereign immunity in a legal proceeding to enforce or collect upon the obligations of the Commission under this Agreement, the Fee Letter, the Term Note or the Revolving Note or the transactions contemplated hereby.

(l) *Commitment*. Permit the sum of (i) aggregate principal amount of all Series A-4 Notes outstanding, plus (ii) the aggregate principal amount of all Advances and Term Loans outstanding at any time to exceed the Commitment at such time.

(m) *Maintenance of Available Wastewater Revenues*. Acquire, construct, operate or maintain, and shall not within the scope of its powers permit any other public or private corporation, political subdivision, district or agency or any person whatsoever to acquire, construct, operate or maintain, within the City or any part thereof, any system or utility competitive with the Wastewater Enterprise. The Commission will have in effect, or cause to have in effect, at all times an ordinance or resolution requiring all customers of the Wastewater Enterprise to pay the fees, rates and charges applicable to the services and facilities furnished by the Wastewater Enterprise. The Commission will not provide any service of the Wastewater Enterprise free of charge to any Person, except (i) for free use by the City and its agencies, (ii) to the extent that any such free use is required by the terms of any existing contract or agreement, and (iii) for incidental insignificant free use so long as such free use does not prevent the Commission from satisfying the other covenants of this Agreement, including, without limitation, Section 7.1(q) hereof.

(n) *Swap Termination Payments*. Permit any Lien on Pledged Revenues securing any termination payments with respect to any Swap Contract to be secured on basis senior to or on a parity with the Commercial Paper Notes, the Term Note and the Revolving Note.

(o) *Use of Proceeds.* Use the proceeds of any credit extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System. The Commission shall not use the proceeds of the Commercial Paper Notes, the Term Note or the Revolving Note for any purpose other than as provided for in the Resolutions and not in contravention of applicable law.

(p) *Preservation of Existence, Etc.* Take any action pursuant to the Charter to accomplish a merger of the Wastewater Enterprise with any other entity or enterprise, unless and until the Commission shall have provided a method for segregating the Wastewater Enterprise Revenues from the revenues of said other entity or enterprise in a manner that will, or shall otherwise, preserve the Lien upon the Available Wastewater Enterprise Revenues for the payment of the Series A-4 Notes and the Revolving Note and the Term Note provided in Section 7.1(p) hereof, and shall have obtained an opinion of counsel from a firm nationally recognized in the practice of tax-exempt financing that such merger will not, in and of itself, (i) affect the exclusion from gross income of the interest on the Series A-4 Notes, and (ii) cause the Lien or security interest created by this Agreement to be no longer valid as provided in Section 7.1(n) hereof. In the event the Commission does effect such a merger, the Commission shall provide written notice thereof to the Bank and shall deliver a copy of the aforementioned opinion to the Bank.

ARTICLE VIII

EVENTS OF DEFAULT, REMEDIES

Section 8.1. Events of Default. Each of the following events shall constitute an “*Event of Default*” hereunder:

(a) *Immediate Termination Events.* The following Events of Default each shall constitute an “*Immediate Termination Event*” hereunder:

(i) *Payments.* The Commission shall (A) fail to pay any amount of interest on any Series A-4 Note when the same shall become due and payable in accordance with its terms, or (B) fail to pay principal of, or interest on, the Revolving Note, the Term Note, any Advance or any Term Loan when the same shall become due and payable in accordance with its terms;

(ii) *Invalidity.* (A) Any provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement or the Resolutions relating to (x) the ability or the obligation of the Commission to pay, when due, the principal of or interest on the Series A-4 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or (y) the lien on or

pledge of the Pledged Revenues, shall at any time, and for any reason, cease to be valid and binding on the Commission, or shall be declared to be null and void, invalid or unenforceable as the result of a final nonappealable judgment by any federal or state court or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the Commission; or (B) an Authorized Representative of the Commission (i) publicly contests or contests in writing any provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement or the Resolutions relating to (x) the ability or the obligation of the Commission to pay, when due, the principal of or interest on the Series A-4 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or (y) the lien on or pledge of the Pledged Revenues or (ii) repudiates or otherwise denies in writing that it has any further liability or obligation under or with respect to any provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement or the Resolutions relating to (x) the ability or the obligation of the Commission to pay, when due, the principal of or interest on the Series A-4 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or (y) the lien on or pledge of the Pledged Revenues; or (C) the State or the Commission shall have taken or permitted to be taken any official action, or has duly enacted any statute, which would adversely affect the enforceability of any provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement or the Resolutions relating to (x) the ability or the obligation of the Commission to pay, when due, the principal of or interest on the Series A-4 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or (y) the lien on or pledge of the Pledged Revenues; or (D) any Governmental Authority with jurisdiction to rule on the validity or enforceability of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement or the Resolutions shall find or rule, in a judicial or administrative proceeding, that any provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement or the Resolutions, as the case may be, relating to (x) the ability or the obligation of the Commission to pay, when due, the principal of or interest on the Series A-4 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan or (y) the lien on or pledge of the Pledged Revenues, is not valid or not binding on, or enforceable against, the Commission;

(iii) *Insolvency, Etc.* The Commission or the City and County of San Francisco, directly or indirectly, shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any substantial part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of sixty (60) days; or the State or any other governmental authority having jurisdiction over the Commission or the City and County of San Francisco imposes a debt moratorium or comparable extraordinary restriction on repayment when due and payable of the principal of or interest on all Debt of the Commission and all of the Series A-4

Notes; or all, or any substantial part, of the property of the Commission or the City and County of San Francisco shall be condemned, seized, or otherwise appropriated, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the Commission or the City and County of San Francisco (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days;

(iv) *Cross-Default to Senior Debt or Parity Debt.* The Commission shall fail to pay, when due and payable, any principal of or interest on any Senior Debt or any Parity Debt (including, without limitation, any principal or sinking fund installments thereon but excluding Commercial Paper Notes and Other Commercial Paper Notes);

(v) *Cross-Default to Commercial Paper Notes.* The Commission shall fail to pay, when due and payable, any interest on any Commercial Paper Notes or Other Commercial Paper Notes (other than as specified in Section 8.1(a)(i)(A) hereof);

(vi) *Unsatisfied Judgments.* A final, nonappealable, judgment or order for the payment of money in excess of \$15,000,000 shall be rendered against the Commission and payable from Pledged Revenues and such judgment or order shall continue unsatisfied and unstayed for a period of sixty (60) days; or

(vii) *Ratings.* The long-term credit ratings assigned by Moody's and S&P to unenhanced Parity Debt, unenhanced Subordinated Wastewater Bonds or unenhanced Senior Debt shall be (A) reduced below "Baa3" (or its equivalent), and "BBB-" (or its equivalent) or (B) withdrawn or suspended for any credit related reasons; *provided*, that nothing herein shall require the Commission to maintain a long-term rating on Parity Debt, so long as the only Parity Debt outstanding is the Commercial Paper Notes and related credit and liquidity facilities.

(b) *Representations Untrue.* Any representation, warranty, certification or statement made by the Commission in this Agreement or in any Basic Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any Basic Document shall (in any such case) have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) *Certain Covenant Defaults.* The Commission shall default in the due performance or observance of any term, covenant or agreement contained in clause (c), (d), (f), (g), (m)(ii), (u)(ii) or (u)(iii) of Section 7.1 or in Section 7.2 hereof.

(d) *Other Covenant Defaults.* The Commission shall default in the due performance or observance of any term, covenant or agreement contained herein (other than those covered by clause (a)(i) or (c) of this Section 8.1) and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after the earlier to occur of (i) written notice thereof shall

have been given to the Commission by the Bank or (ii) an Authorized Representative of the Commission has actual knowledge thereof.

(e) *Other Invalidity.* (i) Any material provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement, the Resolutions or the Fee Letter (other than a provision referred to in Section 8.1(a)(ii) hereof), shall be declared to be null and void, invalid or unenforceable as the result of a final nonappealable judgment by any federal or state court or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the Commission; or (ii) an Authorized Representative of the Commission (A) contests any material provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement, the Resolutions or the Fee Letter (other than a provision referred to in Section 8.1(a)(ii) hereof) or (B) repudiates or otherwise denies in writing that it has any further liability or obligation under or with respect to any material provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement, the Resolutions or the Fee Letter (other than a provision referred to in Section 8.1(a)(ii) hereof); or (iii) the State or the Commission shall have taken or permitted to be taken any official action, or has duly enacted any statute, which would adversely affect the enforceability of any material provision of relating to the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement, the Resolutions or the Fee Letter (other than a provision referred to in Section 8.1(a)(ii) hereof); (iv) any Governmental Authority with jurisdiction to rule on the validity or enforceability of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement, the Resolutions or the Fee Letter shall find or rule, in a judicial or administrative proceeding, that any material provision of the Charter, this Agreement, the Revolving Note, the Term Note, any Series A-4 Note, the Issuing and Paying Agent Agreement, the Resolutions or the Fee Letter (other than a provision referred to in Section 8.1(a)(ii) hereof) is not valid or not binding on, or enforceable against, the Commission or (v) a debt moratorium or comparable extraordinary restriction on repayment of debt shall have been declared or imposed (whether or not in writing) with respect to the Fee Letter, the Series A-4 Notes, the Term Note, the Revolving Note, any Advance or any Term Loan.

(f) *Other Cross-Defaults.* The Commission shall fail to pay when due and payable (i) any principal of or interest on any Debt (other than Senior Debt or Parity Debt) in excess of \$10,000,000 of the Commission and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation thereof or (ii) any principal on any Commercial Paper Notes or Other Commercial Paper Notes (other than the Series A-4 Notes).

(g) *Basic Document Default.* (i) The Commission shall default in the due performance or observance of any material term, covenant or agreement contained in any other Basic Document and the same shall not have been cured within any applicable cure period or (ii) any “event of default” under any other Basic Document (as defined respectively therein) has occurred.

(h) *Other Payments.* The Commission shall fail to pay (i) any amount required pursuant to the Fee Letter when said amount is due and payable or (ii) any amount payable hereunder within five (5) Business Days after the same shall be due and after written demand by the Bank in respect thereof, other than payments described in Sections 8.1(a)(i) and 8.1(h)(i) above;

(i) *Taxability.* A ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered to the effect that interest on the Series A-4 Notes is includable in the gross income of the holder(s) or owner(s) of such Series A-4 Notes and either (i) the Commission, after it has been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice or advice in a court of law during the period within which such challenge is permitted or (ii) the Commission shall challenge such ruling, assessment, notice or advice and a court of law shall make a determination, not subject to appeal or review by another court of law, that such ruling, assessment, notice or advice is correctly rendered.

(j) *Other Insolvency.* (i) There shall be commenced against the Commission any case, proceeding or other action of a nature referred to in Section 8.1(a)(iii) above which (A) results in an order for such relief or in the appointment of a receiver or similar official or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (ii) there shall be commenced against the Commission, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets or for all or any portion of the Pledged Revenues, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof.

(k) *Ratings.* The long-term credit ratings assigned by Moody's or S&P to unenhanced Parity Debt or unenhanced Senior Debt shall be (A) reduced below "A3" (or its equivalent) or "A-" (or its equivalent) or (B) withdrawn or suspended for any credit related reasons; *provided*, that nothing herein shall require the Commission to maintain a long-term rating on Parity Debt, so long as the only Parity Debt outstanding is the Commercial Paper Notes and related credit and liquidity facilities.

(l) *Cross Acceleration.* The Commission (i) defaults in the observance or performance of any agreement or condition relating to any Wastewater Enterprise Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event occurs or condition exists, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such Wastewater Enterprise Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Wastewater Enterprise Debt; or (ii) defaults in the observance or performance of any agreement or condition relating to any Debt (other than Wastewater Enterprise Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event occurs or condition exists, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such Debt to become immediately due and

payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt (other than Wastewater Enterprise Debt).

Section 8.2. Remedies.

(a) *Immediate Termination Events.* In the case any Event of Default which is an Immediate Termination Event has occurred, (i) the Commitment shall immediately and automatically terminate, without notice from the Bank, and (ii) all amounts due hereunder, the Fee Letter and under the Revolving Note and the Term Note shall immediately become due and payable; *provided*, that the Event of Default described in Section 8.1(a)(i)(B) will not qualify as an “Immediate Termination Event” hereunder if the failure to pay the principal of, or interest on, the Revolving Note, the Term Note, any Advance or any Term Loan is due solely to an acceleration thereof by the Bank for any reason other than the failure to pay the principal of, or interest on, the Revolving Note, the Term Note, any Advance or any Term Loan; *provided, further*, that the Event of Default described in Section 8.1(a)(iv) will not qualify as an “Immediate Termination Event” hereunder if the failure to pay the principal of, or interest on, such Senior Debt or Parity Debt is due solely to an acceleration thereof by a provider of credit enhancement or liquidity support with respect thereto for any reason other than the failure to pay the principal of, or interest on, such Senior Debt or Parity Debt.

(b) *Suspension Events.* In the case of a Default described in Section 8.1(j) hereof (a “*Suspension Event*”), the Commitment shall be immediately suspended without notice or demand and, thereafter, the Bank shall be under no obligation to make Advances or Term Loans hereunder until the Available Commitment is reinstated as described below. Promptly upon the occurrence of any such Suspension Event, the Bank shall notify the Commission, the Issuing and Paying Agent and the Dealer of such suspension and the effective date of such suspension in writing by facsimile, promptly confirmed by regular mail; *provided*, that the Bank shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Available Commitment or its obligation to make Advances or Term Loans pursuant to this Agreement. The Commission shall promptly direct the Issuing and Paying Agent to notify all Holders of a suspension of the obligation of the Bank to make Advances and Term Loans as a result of the occurrence of such Suspension Event. Upon the occurrence of a Suspension Event, the Commitment shall be immediately and automatically suspended and remain suspended until the case, proceeding or other action referred to therein is either dismissed, discharged or bonded within sixty (60) days from the commencement of such case, proceeding or action, or the date on which the Bank’s obligations hereunder have terminated or expired in accordance with the terms hereof (the “*Termination Date*”) occurs, whichever is first. In the event that said Suspension Event shall have been dismissed, discharged or bonded within the sixty (60) day period described therein and prior to the Termination Date, then the Available Commitment and the obligation of the Bank to make Advances and Term Loans shall be reinstated and the terms of this Agreement shall continue in full force and effect as if there had been no such suspension (unless the Commitment Period shall otherwise have been terminated, suspended or expired as provided in this Agreement). In the event that said Suspension Event shall not have been dismissed, discharged or bonded within said sixty (60) day period when the Termination Date occurs, then the Available Commitment and the obligation of the Bank to make Advances and Term Loans shall terminate on the Termination Date without

notice or demand and, thereafter, the Bank shall be under no obligation to make such Advances and Term Loans hereunder.

(c) *All Events of Default.* In the case of any Event of Default, including any Immediate Termination Event or a Suspension Event that has occurred and is continuing, the Bank (i) may by written notice to the Commission declare all amounts due hereunder, under the Fee Letter or under the Revolving Note or the Term Note to be immediately due and payable, whereupon the same shall immediately become due and payable, (ii) may by written notice to the Commission and the Issuing and Paying Agent (an “*EoD No-Issuance Notice*”) in substantially the form of Exhibit H-1 hereto declare the Commitment to be reduced to the principal amount of Series A-4 Notes then outstanding and to be permanently reduced further on the maturity date of each such Series A-4 Note by an amount equal to the principal amount of such Series A-4 Note with the Commitment to be terminated upon the last maturity date applicable to all such Series A-4 Notes, (iii) may petition a court of competent jurisdiction to issue a mandamus order to the Commission to compel specific performance of the covenants of the Commission contained in the Resolutions or herein and (iv) may pursue any other rights or remedies under this Agreement, the Fee Letter, the Resolutions, any other Basic Document, applicable law or otherwise. Except as expressly provided in this Section 8.2, procurement, demand, protest and all other notices of every kind are hereby expressly waived. Following receipt of an EoD No-Issuance Notice, the Commission shall not issue any additional Series A-4 Notes.

(d) *Timing of EoD No-Issuance Notice.* An EoD No-Issuance Notice that is received by the Commission at or before 3:00 p.m. (New York City time) shall be effective when received. An EoD No-Issuance Notice that is received by Commission after 3:00 p.m. (New York City time) shall not be effective until the opening of business on the next succeeding Business Day.

(e) *Copies of Notices.* Concurrently with the occurrence of an Immediate Termination Event pursuant to clause (a) of this Section 8.2 or an EoD No-Issuance Notice pursuant to clause (c) of this Section 8.2, the Commission shall give notice to the Issuing and Paying Agent and the Dealers.

In addition, concurrently with giving such notice to the Commission and the Issuing and Paying Agent, the Bank shall provide a copy thereof to the Dealers at their respective addresses referred to in Section 9.9; *provided, however*, that the Bank shall not incur any liability as a result of its failure to provide a copy of such a notice in accordance with this sentence.

Section 8.3. No Remedy Exclusive. The rights and remedies of the Bank under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, and no failure or delay by the Bank, in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Payments to the Bank. All payments to the Bank hereunder shall be made without setoff or counterclaim in accordance with Section 2.9.

Section 9.2. Liability of the Bank. (a) The Commission assumes all risks of the acts or omissions of the Issuing and Paying Agent and the Dealers with respect to the proceeds of any Advance or Term Loan. Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for (i) the use which may be made of the proceeds of any Advance or Term Loan or of any acts or omissions of the Issuing and Paying Agent, the Dealers or any transferee in connection therewith, (ii) the validity, sufficiency or genuineness of documents, or of any endorsements thereon (other than the validity as against the Bank of any agreement to which it is a party), even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iii) the lack of validity or enforceability of the Commercial Paper Notes, any of the Resolutions, the Issuing and Paying Agent Agreement, the other Basic Documents or any other agreement or instrument relating thereto (other than the validity or enforceability as against the Bank of any agreement to which the Bank is a party), or (iv) any other circumstances whatsoever in making or failing to make payment under this Agreement; *provided*, that the Commission shall have a claim against the Bank, and the Bank shall be liable to the Commission, to the extent of any direct, as opposed to consequential, damages suffered by the Commission which the Commission proves were caused by (i) the Bank's willful misconduct or gross negligence in determining whether a Request for Advance presented hereunder complied with the terms hereof, or (ii) the Bank's willful or grossly negligent failure to make an Advance required to be made by it hereunder after the presentation to it by the Commission of a Request for Advance in the form set forth in Exhibit C hereto. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information (other than actual knowledge to the contrary) to the contrary.

Section 9.3. Indemnification. To the extent permitted by law, the Commission agrees to indemnify and hold harmless the Bank and its related parties and participants from and against any and all claims, damages, losses, consequential damages, liabilities and reasonable costs or expenses (including, without limitation, reasonable attorney's fees and expenses) whatsoever which the Bank may incur (or which may be claimed against the Bank by any person or entity whatsoever) by reason of or in connection with (i) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Basic Documents, the Offering Memorandum (other than in connection with the description of the Bank provided by the Bank expressly for use therein), or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading; (ii) the offering, placement, or resale of the Series A-4 Notes; (iii) the validity, sufficiency or genuineness of the transaction documents or the Offering Memorandum (other than in connection with the description of the Bank contained therein); or (iv) the execution and delivery of this Agreement; *provided*, that the Commission shall not be required to indemnify the Bank

for any losses, claims, damages, liabilities, costs and expenses (other than those described in clause (i)) to the extent that such losses, claims, damages, liabilities, costs and expenses were caused by the willful misconduct or gross negligence of the Bank.

Section 9.4. Costs and Expenses. The Commission hereby agrees to pay (a) the costs and expenses as set forth in the Fee Letter, in the amounts and at the times set forth therein, and (b) as and to the extent not otherwise specified in the Fee Letter, all costs and expenses paid or incurred by the Bank, including the reasonable fees and out of pocket expenses of counsel for the Bank, otherwise arising in connection with this Agreement, the Fee Letter, the Issuing and Paying Agent Agreement or the other Basic Documents including, without limitation, in connection with any transfer of or amendment to this Agreement, the Fee Letter, the Issuing and Paying Agent Agreement or the other Basic Documents, the enforcement hereof or thereof or the protection of the rights of the Bank hereunder or thereunder.

Section 9.5. Participants. The Bank shall have the right, in its sole discretion, to grant participations from time to time (to be evidenced by one or more Participation Agreements or certificates of participation) in this Agreement, the Fee Letter, the Revolving Note and the Term Note to one or more other banking institutions; *provided*, that the grant of any such participation shall not terminate or otherwise affect any obligation of the Bank hereunder. In connection with each participation, the Bank may disclose to any proposed participant any information that the Commission or any Dealer delivers or discloses pursuant to this Agreement. The Bank shall give notice to the Commission of any banking institution that is granted a participation pursuant to this Section.

Section 9.6. Successors and Assigns.

(a) This Agreement shall be binding upon and inure to the benefit of the Commission and the Bank and their respective successors and assigns, except that neither the Commission nor, except as permitted in Section 9.5, the Bank shall have the right to assign its rights hereunder or any interest herein without (i) the prior written consent of the other and (ii) written notice from S&P, if the Commercial Paper Notes are rated by S&P, and from Moody's, if the Commercial Paper Notes are rated by Moody's, that such assignment will not result in a suspension, lowering or withdrawal of the rating on the Commercial Paper Notes.

(b) The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operation Circular issued by such Federal Reserve Bank; *provided*, that any payment in respect of such assigned obligations made by the Commission to the Bank in accordance with the terms of this Agreement shall satisfy the obligations of the Commission hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 9.7. Modification or Waiver of This Agreement. This Agreement is intended by the parties hereto as a final expression of their agreement with respect to the subject matter hereof, and is intended as a complete and exclusive statement of the terms and conditions of that

agreement. Subject to the terms and provisions of Section 7.2(i) of the Agreement with respect to amendments to certain provisions described therein, no modification or waiver of any provision of this Agreement (including this Section 9.7) shall be effective unless the same shall be in writing and signed by the Bank and the Commission. Any modification or waiver referred to in this Section 9.7 shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Commission in any case shall entitle the Commission to any other or further notice or demand in the same, similar or other circumstances.

Section 9.8. No Waiver of Rights by the Bank; Cumulative Rights. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder shall preclude any other or further exercise or the exercise of any right, power or privilege. The rights of the Bank under this Agreement, the Fee Letter, the Revolving Note, the Term Note, the Resolutions, the Issuing and Paying Agent Agreement and the other Basic Documents are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

Section 9.9. Notices. All notices and communications hereunder shall be given by hand delivery, with a receipt being obtained therefor, by United States certified or registered mail, or by fax or by e-mail or by other electronic means of communication capable of creating a written record of such notice and its receipt. To the extent that any electronic means of communication notice is permitted hereunder, the parties hereto shall provide appropriate e-mail addresses or facsimile numbers. Except as provided in Sections 2.1(c) and 8.2(d), notices and communications hereunder shall be effective when received and, except for Requests for Advance, which shall be sent to the address set forth in the form thereof, shall be sent by the individual or an authorized representative of the entity at the addresses specified hereinbelow:

If to the Commission:

City and County of San Francisco
Public Utilities Commission

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

If to the Issuing and Paying Agent:

U.S. Bank National Association

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

If to the Dealer:

At the address, telephone number
and telecopy number set forth in
each Dealer Agreement.

If to the Bank for Advances and Term Loans: The Toronto-Dominion Bank, New York Branch

[Redacted]

with copies to:

[Redacted]

and

[Redacted]

Section 9.10. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one document, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto.

Section 9.11. Certificates, Etc. In connection with the execution and delivery of this Agreement, the parties hereto may rely on any certificates delivered by or on behalf of each other respective party hereto as representations and warranties as to the matters therein certified.

Section 9.12. Term of Agreement.

(a) The term of this Agreement shall be until the later of (x) the termination of the Commitment or the Commitment Expiration Date and (y) the payment in full of the principal of and interest on all amounts due hereunder and under the Revolving Note and the Term Note.

(b) Upon the written request of the Commission to the Bank made not earlier than one hundred eighty (180) days and not later than ninety (90) days prior to the Commitment Expiration Date, the Bank shall notify the Commission and the Issuing and Paying Agent within sixty (60) days of such request whether or not it will extend the scheduled Commitment Expiration Date for the time period requested on terms acceptable to both parties, which time periods may include, without limitation, one or more extensions each for a period of one year or more. If the Bank notifies the Commission and the Issuing and Paying Agent that the scheduled Commitment Expiration Date shall be so extended, the Bank shall, within thirty (30) days of its notification to the Commission and the Issuing and Paying Agent, deliver to the Commission, the Issuing and Paying Agent and the Dealers a written acknowledgement of such extension. If the Bank fails to notify the Commission and the Issuing and Paying Agent of its decision within such sixty (60) day period, the Bank shall be deemed to have rejected such request. Any such determination by the Bank shall be in its sole and absolute discretion. Any such request by the Commission for an extension of the Commitment Expiration Date shall be substantially in the form of Exhibit D hereto (or in such other form to which the Bank may consent in writing) and, unless the Bank shall otherwise consent, shall include (i) a statement of the outstanding principal amount of the Commercial Paper Notes, (ii) a reasonably detailed description of any and all Defaults or Events of Default that shall have occurred and be continuing and that no Immediate Termination Event is continuing, (iii) confirmation that all representations and warranties of the Commission contained herein and in the Basic Documents are true and correct as though made on the date of such request and that no Default or Event of Default has occurred or is continuing on the date of such request, and (iv) any other pertinent information requested by the Bank.

(c) The Commission may terminate this Agreement at any time upon thirty (30) days' written notice to the Bank so long as no Series A-4 Notes are outstanding as of the date this Agreement is terminated; *provided, however*, that all amounts owing under the Fee Letter with respect to such termination shall be paid in accordance with the Fee Letter.

(d) Prior to any substitution of an Alternate Facility for this Agreement, the Commission will pay or cause to be paid all amounts owing to the Bank hereunder and under the Revolving Note and the Term Note.

Section 9.13. Severability. In case any one or more of the provisions contained in this Agreement 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 thereby. The parties shall negotiate in good faith to replace any invalid, illegal or unenforceable provision with a valid provision, which, to the extent possible, will preserve the economic effect of the invalid, illegal or unenforceable provisions.

Section 9.14. Governing Law; Jurisdiction.

(a) Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

(b) **Waiver of Jury Trial.** In addition, to the extent permitted by applicable law, the Commission and the bank hereby waive any right to a trial by jury in any action, suit or proceeding arising under or relating to this Agreement or any other Basic Document. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, the Commission and the Bank hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such reference whether fact or law. The Commission and the Bank represent that each has reviewed this waiver and consent and each knowingly and voluntarily waives its jury trial rights and consents to judicial reference following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this Agreement may be filed as a written consent to a trial by the court or to judicial reference under California Code of Civil Procedure Section 638 as provided herein.

Section 9.15. Consents. Except as otherwise provided in Section 9.12, the Bank agrees to respond within thirty (30) days of its receipt of a written request from the Commission to amend or waive any provision of this Agreement in the manner specifically set forth in such request. If the Bank fails to respond within such thirty (30) day period, the Bank shall be deemed to have rejected such request. Any such determination by the Bank shall be in its sole and absolute discretion.

Section 9.16. Source of Funds. The Bank agrees that all funds provided by the Bank hereunder will be paid from funds of the Bank and not directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, the Bank by the Commission.

Section 9.17. Survival. The obligations of the Commission under Sections 2.3, 2.4, 2.7, 2.12, 9.3 and 9.4 and Article IV hereof and in the Fee Letter shall survive the payment of the Commercial Paper Notes and the termination of the Available Commitment and this Agreement.

Section 9.18. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Agreement.

Section 9.19. Beneficiaries. This Agreement is made solely for the benefit of the Commission, the Issuing and Paying Agent, the Bank, their successors and assigns, and no other Person (including, without limitation, any owner of a Commercial Paper Note) shall have any right, benefit or interest under or because of the existence of this Agreement.

Section 9.20. Governmental Regulations. (i) The Bank hereby notifies the Commission that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*"), it is required to obtain, verify and record information that includes the name and address of the Commission and other information that will allow the Bank to identify the Commission in accordance with the Patriot Act.

(ii) The Commission shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Commission is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Commission or from otherwise conducting business with the Commission and (b) ensure that the proceeds of the Commercial Paper Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the Commission shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

Section 9.21. City Requirements. The Bank hereby agrees to the City’s requirements, as provided in Exhibit G attached hereto and incorporated hereby by this reference.

Section 9.22. Arm’s Length Transaction. The transaction described in this Agreement is an arm’s length, commercial transaction between the Commission and the Bank in which: (i) the Bank is acting solely as a principal (i.e., as a lender) and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Commission; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Commission with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Commission on other matters); (iv) the only obligations the Bank has to the Commission with respect to this transaction are set forth in this Agreement; and (v) the Bank is not recommending that the Commission take an action with respect to the transaction described in this Agreement and the other Basic Documents, and before taking any action with respect to the this transaction, the Commission should discuss the information contained herein with the Commission’s own legal, accounting, tax, financial and other advisors, as the Commission deems appropriate.

[Remainder of page intentionally left blank; signature page follows.]

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

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By _____
[Redacted Signature]

Approved as to Form:

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

By: _____
Name: _____
Title: _____
[Redacted Signature]

Acknowledged:

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

By: _____
Name: _____
Title: _____
[Redacted Signature]

THE TORONTO-DOMINION BANK
NEW YORK BRANCH

By
M
T



EXHIBIT A

FORM OF REVOLVING NOTE

[PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO LIQUIDITY FACILITY REVOLVING BANK NOTE, SERIES A-4]

July 9, 2019

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 THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”), at its office at 31 West 52nd Street, New York, New York, 10019, the aggregate unpaid principal amount of all Advances made by the Bank from time to time pursuant to the Agreement referred to below 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 Advances on the dates and at the rates provided for in the Revolving Credit and Term Loan Agreement, dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the Commission and the Bank. All payments of principal and interest shall 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 shall have the meanings specified in the Agreement.

This note is the Revolving Note referred to in the Agreement and is entitled to the benefits thereof and of the Basic Documents referred to therein. As provided in the Agreement, this Revolving Note is subject to prepayment, in whole or in part. In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Revolving 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 Revolving Note, that before disposing of this Revolving Note it will make a notation on the schedule attached hereto of all Advances 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 shall not limit or otherwise affect the obligation of the Commission hereunder with respect to payments of principal of and interest on this Revolving Note.

Notwithstanding any other provision hereof or of the Agreement to the contrary, the obligations of the Commission hereunder are payable solely from the Pledged Revenues. This

Revolving 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 Pledged Revenues and from the proceeds of subsequent borrowings by the Commission, including but not limited to in the form of additional or rollover Series A-4 Notes authorized thereunder.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgers 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 Revolving Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

THIS REVOLVING NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

The Commission hereby irrevocably (i) agrees that any suit, action or other proceeding arising out of or relating to this Revolving Note may be brought in any court of competent jurisdiction located in New York, and consents to the jurisdiction of such court in any such suit, action or proceeding and (ii) waives, to the fullest extent permitted by law, any objection which it may have to the laying of venue of any such suit, action or proceeding in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Notwithstanding the foregoing, in the event the Bank is not a party to any such action or proceeding, the foregoing provisions shall not apply.

IN WITNESS WHEREOF, the Public Utilities Commission of the City and County of San Francisco has caused this Revolving 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 _____

TRANSACTIONS

ON

REVOLVING NOTE

<u>Date</u>	Principal Amount of <u>Advance</u>	Amount of <u>Principal Paid</u>	Date to Which <u>Interest Paid</u>	Notation <u>Made By</u>
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EXHIBIT B

FORM OF TERM NOTE

PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO TERM BANK NOTE, SERIES A-4

July 9, 2019

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 THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”), at its office at 31 West 52nd Street, New York, New York, 10019, the aggregate unpaid principal amount of all Term Loans made by the Bank from time to time pursuant to the Agreement referred to below on the dates and in the amounts provided for in the Agreement.

The Commission promises to pay interest on the unpaid principal amount of the Term Loans on the dates and at the rates provided for in the Revolving Credit and Term Loan Agreement dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the Commission and the Bank. All payments of principal and interest shall 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 shall have the meanings specified in the Agreement.

This note is the Term Note referred to in the Agreement and is entitled to the benefits thereof and of the Basic Documents referred to therein. As provided in the Agreement, this Term Note is subject to prepayment, in whole or in part. In case an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and accrued interest on this Term 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 Term Note, that before disposing of this Term Note it will make a notation on the schedule attached hereto of all Term Loans 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 shall not limit or otherwise affect the obligation of the Commission hereunder with respect to payments of principal of and interest on this Term Note.

Notwithstanding any other provision hereof or of the Agreement to the contrary, the obligations of the Commission hereunder are payable solely from the Pledged Revenues. This Term 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 Pledged Revenues and from the proceeds of subsequent borrowings by the Commission, including, but not limited to, in the form of additional or rollover Series A-4 Notes authorized thereunder.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgers 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 Term Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

THIS TERM NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

The Commission hereby irrevocably (i) agrees that any suit, action or other proceeding arising out of or relating to this Term Note may be brought in any court of competent jurisdiction located in New York, and consents to the jurisdiction of such court in any such suit, action or proceeding and (ii) waives, to the fullest extent permitted by law, any objection which it may have to the laying of venue of any such suit, action or proceeding in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Notwithstanding the foregoing, in the event the Bank is not a party to any such action or proceeding, the foregoing provisions shall not apply.

IN WITNESS WHEREOF, the Public Utilities Commission of the City and County of San Francisco has caused this Term 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 _____

TRANSACTIONS

ON

TERM NOTE

<u>Date</u>	<u>Amount of Term Loan Made</u>	<u>Amount of Principal Paid</u>	<u>Date to Which Interest Paid</u>	<u>Notation Made By</u>
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EXHIBIT C

[FORM OF REQUEST FOR ADVANCE]
REQUEST FOR ADVANCE

The Toronto-Dominion Bank, New York Branch

[REDACTED]

with copies to:

[REDACTED]

and

[REDACTED]

Ladies and Gentlemen:

The undersigned, U.S. BANK NATIONAL ASSOCIATION, as Issuing and Paying Agent (the “*Issuing and Paying Agent*”) under the Issuing and Paying Agent Agreement, dated as of July 1, 2012, as amended from time to time between PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “*Commission*”) and the undersigned, refers to the Revolving

Credit and Term Loan Agreement dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the Commission and THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”) and hereby requests, pursuant to Section 2.1 of the Agreement, an Advance under the Agreement and in that connection sets forth below the following information relating to such Advance (the “*Proposed Advance*”):

1. The principal amount of the Proposed Advance is \$_____;
2. The sum of the Proposed Advance, the aggregate amount of Series A-4 Notes to be Outstanding following the application of the Proposed Advance and all Advances and Term Loans outstanding does not exceed the Commitment.
3. The entire amount of the Proposed Advance shall be used solely for the payment of the principal of the Series A-4 Notes due and payable on the date of this Request and for the payment of which proceeds of Series A-4 Notes are not available.

The Proposed Advance shall be made by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

The terms capitalized herein but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

Very truly yours,

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

By _____
Name _____
Title _____

EXHIBIT D

[FORM OF REQUEST FOR EXTENSION]
Request for Extension

[Date]

The Toronto-Dominion Bank, New York Branch

[REDACTED]

with copies to:

[REDACTED]

and

[REDACTED]

Ladies and Gentlemen:

Reference is made to the Revolving Credit and Term Loan Agreement dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “*Commission*”) and THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”).

The Commission hereby requests, pursuant to Section 9.12(b) of the Agreement, that the Commitment Expiration Date be extended to _____, _____. Pursuant to such Section 9.12(b), we have enclosed with this request the following information:

1. The outstanding principal amount of the Series A-4 Notes, together with the aggregate principal amount of all Advances and Term Loans Outstanding as of the date hereof, is equal to \$_____;

2. A reasonably detailed description of any and all Defaults and Events of Default that have occurred and are continuing;

3. Confirmation that all representations and warranties of the Commission contained in the Agreement and the Basic Documents are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof; and

4. Any other pertinent information previously requested by the Bank.

The Bank is required to notify the Commission and the Issuing and Paying Agent of its decision with respect to this request within thirty (30) days of the date of receipt hereof. If the Bank fails to notify the Commission and the Issuing and Paying Agent of its decision within such thirty (30) day period, the Bank shall be deemed to have rejected such request. The terms capitalized herein but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

Very truly yours,

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By _____
Name _____
Title _____

EXHIBIT E

[FORM OF NOTICE OF TERMINATION OR REDUCTION]

NOTICE OF TERMINATION OR REDUCTION

[Date]

The Toronto-Dominion Bank, New York Branch

[REDACTED]

with copies to:

[REDACTED]

and

[REDACTED]

Re: Revolving Credit and Term Loan Agreement
dated as of July 1, 2019

Ladies and Gentlemen:

The PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “*Commission*”), through its undersigned duly authorized officer, hereby certifies to THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”), with reference to the Revolving Credit and Term Loan Agreement, dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the Commission and the Bank.

[The Commission hereby informs you that the Commitment is terminated in accordance with the Agreement.]

OR

[(a) The Commission hereby informs you that the Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on _____. The Available Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on such date.

(b) Upon the foregoing reductions, the amount of the Commitment will not be less than the sum of (i) the principal amount of all Commercial Paper Notes Outstanding and (ii) the aggregate principal amount of all unpaid Advances and Term Loans due under the Agreement.

The terms capitalized herein but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, the Commission has executed and delivered this Notice this ____ day of _____, ____.

Very truly yours,

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By _____
Name _____
Title _____

EXHIBIT F

**2019 LIST OF CITY HOLIDAYS
(INCLUDING DAYS CITY IS OFFICIALLY CLOSED)**

New Years Day - January 1, 2019

Dr. Martin Luther King, Jr. Day - January 21, 2019

President's Day - February 18, 2019

Memorial Day - May 27, 2019

Independence Day - July 4, 2019

Labor Day - September 2, 2019

Indigenous Peoples Day - October 14, 2019

Veterans Day - November 11, 2019

Thanksgiving Day and the Day After - November 28, 2019 & November 29, 2019

Christmas Day - December 25, 2019

EXHIBIT G

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) *Bank Shall Not Discriminate.* In the performance of this Agreement, the Bank agrees not to discriminate against any employee, City and County employee working with the Bank or subcontractor, applicant for employment with the Bank 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 Bank 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 Bank's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(iii) *Non-Discrimination in Benefits.* The Bank 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 Bank 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 Bank 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 Bank 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 Bank and/or deducted from any payments due the Bank; *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 Bank 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 Bank 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 Bank further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Bank's board of directors; the Bank'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 Bank; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Bank. Additionally, the Bank acknowledges that the Bank 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 Bank acknowledges and agrees that he or she has read and understood this section.

(e) *Conflict of Interest.* Through its execution of this Agreement, the Bank 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 Bank 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 Bank 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 Bank; 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 Bank of the terms of this Agreement. If, within thirty days after the Bank receives written notice of such a breach, the Bank fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Bank 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 Bank 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 Bank 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 Bank's obligations or liabilities, or materially diminish the Bank'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

Bank's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of the Bank'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 Bank 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 Bank 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 Bank shall be liable for liquidated damages in an amount equal to the Bank'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 Bank authorized in the LBE Ordinance, including declaring the Bank to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Bank'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 Bank acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. The Bank further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Bank on any contract with City.

The Bank 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 Bank 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 Bank agrees that any violation of this prohibition by the Bank, its employees, agents or assigns will be deemed a material breach of this Agreement.

(i) *Compliance with Americans with Disabilities Act.* The Bank 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 Bank 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 Bank 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 Bank, 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 Bank 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 Bank's obligations under the MCO is set forth in this Section. The Bank 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 Bank to pay the Bank'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 Bank is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Bank 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 Bank'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 Bank.

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

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

(vi) The Bank'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 Bank fails to comply with these requirements. The Bank 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 Bank'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 Bank 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 Bank fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Bank 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 Bank 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 Bank. 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 Bank 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 Bank 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 Bank shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Bank 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 Bank 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 Bank's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Bank 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 Bank fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Bank 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 Bank 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 Bank 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 Bank 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 Bank based on the subcontractor's failure to comply, provided that City has first provided the Bank with notice and an opportunity to obtain a cure of the violation.

(v) The Bank shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to the Bank'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 Bank 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 Bank 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 Bank shall keep itself informed of the current requirements of the HCAO.

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

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

(xiii) If the Bank is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Bank later enters into an agreement or agreements that cause the Bank'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 Bank 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 Bank 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 Bank 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 Bank 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 Bank from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Bank'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 Bank shall remove all graffiti from any real property owned or leased by such Bank in the City and County of San Francisco within forty eight (48) hours of the earlier of such Bank'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 Bank 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 Bank to comply with this Section of this Agreement shall constitute a material breach of this Agreement.

(o) *Food Service Waste Reduction Requirements.* The Bank 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 Bank agrees that if it breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Bank 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 Bank's failure to comply with this provision.

(p) *Preservative-treated Wood Containing Arsenic.* The Bank 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 Bank 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 Bank 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 Bank 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 Bank agrees to all of the following:

(i) Neither the Bank 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 Bank 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 Bank 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 Bank, or bring a false claim action against the Bank.

(r) *Proprietary or Confidential Information of City.* The Bank 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 Bank 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 Bank 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 Bank 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 Bank contained in this Exhibit G to the Agreement.

EXHIBIT H-1

FORM OF EOD NO-ISSUANCE NOTICE

PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO

[REDACTED]
[REDACTED]
[REDACTED]

U.S. BANK NATIONAL ASSOCIATION

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Re: Revolving Credit and Term Loan Agreement,
 dated as of July 1, 2019

Ladies and Gentlemen:

Pursuant to Section 8.2(c) of the Revolving Credit and Term Loan Agreement dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “*Commission*”), and THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”), the Bank hereby notifies you that:

- (a) an Event of Default of the type set forth in clause ____ of Section 8.1 of the Agreement has occurred and is continuing;
- (b) the Commitment is hereby reduced to the principal amount of Series A-4 Notes currently Outstanding;
- (c) on the maturity date of each such Series A-4 Note, after any Advance required to pay such Series A-4 Note is made, the Commitment shall be reduced further by an amount equal to the principal amount of such Series A-4 Note; and

(d) upon the last maturity date of all such Series A-4 Notes, after any Advance required to pay Series A-4 Notes maturing on such date is made, the Commitment shall be terminated.

The terms capitalized herein but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

Very truly yours,

THE TORONTO-DOMINION BANK,
NEW YORK BRANCH

By _____
Name _____
Title _____

EXHIBIT H-2

FORM OF SUBORDINATED BONDS
NO-ISSUANCE NOTICE

PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO

[REDACTED]
[REDACTED]
[REDACTED]

U.S. BANK NATIONAL ASSOCIATION

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Re: Revolving Credit and Term Loan Agreement,
dated as of July 1, 2019

Ladies and Gentlemen:

Pursuant to Section 2.13 of the Revolving Credit and Term Loan Agreement dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “*Commission*”), and THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”), the Bank hereby notifies you that:

- (a) the Commission has issued Subordinated Wastewater Bonds;
- (b) the Commitment is hereby reduced to the principal amount of Series A-4 Notes currently Outstanding;
- (c) on the maturity date of each such Series A-4 Note, after any Advance required to pay such Series A-4 Note is made, the Commitment shall be reduced further by an amount equal to the principal amount of such Series A-4 Note; and

(d) upon the last maturity date of all such Series A-4 Notes, after any Advance required to pay Series A-4 Notes maturing on such date is made, the Commitment shall be terminated.

The terms capitalized herein but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

Very truly yours,

THE TORONTO-DOMINION BANK,
NEW YORK BRANCH

By _____
Name _____
Title _____

EXHIBIT I

**PUBLIC UTILITIES COMMISSION OF
THE CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATE REGARDING CONDITIONS PRECEDENT TO A TERM LOAN**

The PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the “*Commission*”) hereby provides this Certificate, dated as of the [_____, 20__], the Term Loan Date, to the Bank (as defined below), in connection with its request for a Term Loan as required by Section 3.3(d) of the Revolving Credit and Term Loan Agreement, dated as of July 1, 2019 (as amended and supplemented from time to time, the “*Agreement*”), by and between the Commission and THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”). All capitalized terms utilized herein and not defined herein shall have the meaning set forth in the Agreement.

In order to induce the Bank to make a Term Loan under the Agreement, the Commission represents and warrants, as of the date hereof as follows:

1. The undersigned is an Authorized Representative of the Commission.
2. The Commission is in compliance with Sections 3.3(a) and (c) of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate Regarding Conditions Precedent to a Term Loan as of the date first above written.

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By _____
Name _____
Title _____

EXHIBIT J

WASTEWATER BOND INDENTURE
EXAMPLE ADDITIONAL BONDS CERTIFICATE AND EXAMPLE REPORT

[Note: Form will be used until
effective date of the Sixth Supplemental Indenture]

**FORM OF CERTIFICATE REGARDING ISSUANCE OF
WASTEWATER REVENUE BONDS:**

\$ _____

**PUBLIC UTILITIES COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO
WASTEWATER REVENUE BONDS**

\$ _____
20__ SERIES __

\$ _____
20__ SERIES __

\$ _____
20__ SERIES __

CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS

The Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 20__ Series __, 20__ Series __ and 20__ Series __ (collectively, the “*Bonds*”) in the aggregate principal amount of \$ _____, have been issued pursuant to an Indenture (the “*Original Indenture*”), dated as of January 1, 2003, by and between the Public Utilities Commission of the City and County of San Francisco (the “*Commission*”) and U.S. Bank National Association, as trustee (the “*Trustee*”), as supplemented and amended to date, including as supplemented by the _____ Supplemental Indenture (the “*_____ Supplemental Indenture*”) and the _____ Supplemental Indenture (the “*_____ Supplemental Indenture*”), each dated as of _____ 1, 20__, each by and between the Commission and the Trustee. (The Original Indenture as amended and supplemented to date is referred to herein as the “*Indenture*”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture. Pursuant to Sections 3.05(f) of the Indenture, the undersigned, on behalf of the Commission, solely in their official and not in their personal capacities, certify as follows:

(a) We have read the provisions of Sections 3.05 and 3.07 of the Indenture and the definitions of the terms used or referenced therein or relating thereto, and we have made or caused to be made such examination or investigation as is necessary to enable us to express an informed opinion as to the matters required thereby, and in our opinion this certificate satisfies the requirements of Sections 3.05 and 3.07 of the Indenture.

(b) No Event of Default has occurred and is continuing under the Indenture and no event has occurred which, but for the passage of time or the giving of notice, would constitute an Event of Default under the Indenture.

(c) The aggregate principal amount of bonds, including the Bonds, issued under the Indenture does not exceed any limitation imposed by law or by any Supplemental Indenture.

(d) Set forth in Exhibit A hereto are estimates for each of the next three Fiscal Years and for the three Fiscal Years following the Fiscal Year in which AECOM Technical Services, Inc., Consulting Engineers to the Commission (the “*Consulting Engineers*”), estimate the projects funded with proceeds from the Bonds will be completed (as set forth in the Certificate of the Consulting Engineers attached hereto as Exhibit B) of: (i) Revenues, (ii) Operation and Maintenance Costs of the Enterprise, (iii) Net Revenues and (iv) Annual Debt Service, which demonstrate that the estimated Net Revenues in each such Fiscal Year is at least equal to 1.25 times the Annual Debt Service for such respective Fiscal Years.

[END OF CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS]

IN WITNESS WHEREOF, the undersigned have executed this Certificate Regarding Issuance of Additional Bonds as of this ____ day of _____, 20__.

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

TO CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS

ESTIMATE OF REVENUES
ANNUAL DEBT SERVICE, AND
RESULTING COVERAGE RATIO
(FISCAL YEARS 20__-__ THROUGH 20__-__)

FISCAL YEAR	ESTIMATED REVENUES	ESTIMATED OPERATION AND MAINTENANCE COSTS	ESTIMATED NET REVENUES	ESTIMATED ANNUAL DEBT SERVICE	COVERAGE RATIO
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ESTIMATE OF REVENUES
ANNUAL DEBT SERVICE, AND
RESULTING COVERAGE RATIO
(FISCAL YEARS 20__-__ THROUGH 20__-__)

FISCAL YEAR	ESTIMATED REVENUES	ESTIMATED OPERATION AND MAINTENANCE COSTS	ESTIMATED NET REVENUES	ESTIMATED ANNUAL DEBT SERVICE	COVERAGE RATIO
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EXHIBIT B

TO CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS

[REPORT OF CONSULTING ENGINEER ATTACHED]

**CERTIFICATE OF THE CONSULTING ENGINEERS
PURSUANT TO SECTION 3.05(F)(I) OF THE INDENTURE**

This Certificate has been prepared by AECOM Technical Services, Inc. (the “*Consulting Engineers*”) at the request of the Public Utilities Commission of the City and County of San Francisco (the “*Commission*”) in connection with the issuance of the Commission’s Wastewater Revenue Bonds, 20__ Series __, 20__ Series __ and 20__ Series __ (collectively, the “*Bonds*”) to comply with the requirements of Section 3.05(f)(1) of the indenture, dated January 1, 2003, as amended and supplemented, including as supplemented by that certain _____ Supplemental Indenture, dated as of _____ 1, 20__, and by that certain _____ Supplemental Indenture, dated as of _____ 1, 20__, each by and between the Commission and U.S. Bank National Association (collectively, the “*Indenture*”),

The findings and conclusions set forth in this Certificate are based on Consulting Engineers’ consultation with certain employees of the Commission. The conclusions contained below constitute only the opinion of Consulting Engineers, and Consulting Engineers have relied on various background documents, statements and other information supplied by the Commission, its employees and other consultants, which information Consulting Engineers has assumed (without independently verifying) to be accurate and reliable.

Based upon its review as described below, Consulting Engineers conclude the following with respect to the portion of Bond proceeds being used to finance the construction of the 20__ Series __ Project, the 20__ Series __ Project and the 20__ Series __ Project (each as defined in the Indenture and, collectively, the “*Project*”):

1. An estimate of the completion date of the Project for which the Bonds are being issued is _____.
2. An estimate of the cost of construction of the Project being financed with the Bonds is \$_____.

Dated: _____, 20__

AECOM TECHNICAL SERVICES, INC.

By: _____
Name: _____
Title: _____

**CERTIFICATE OF THE CONSULTING ENGINEERS
IN CONNECTION WITH SECTION 8B.124 OF THE CHARTER OF THE CITY AND
COUNTY OF SAN FRANCISCO AND THE INDENTURE OF THE SAN FRANCISCO
PUBLIC UTILITIES COMMISSION (SFPUC) AUTHORIZING THE SALE OF
WASTEWATER REVENUE BONDS AND / OR OTHER FORMS OF INDEBTEDNESS,
INCLUDING COMMERCIAL PAPER AND STATE AND FEDERAL LOANS**

This Certificate has been prepared by AECOM Technical Services, Inc., (AECOM), an independent consulting firm, at the request of the San Francisco Public Utilities Commission (SFPUC) in connection with the issuance by the SFPUC of its Wastewater Revenue Bonds and/or other forms of Indebtedness, including Commercial Paper and State and Federal loans.

Proposition E requires certification by an independent consulting engineer that, among other things, “(i) the Projects to be financed with proceeds of bonds under Proposition E, including the prioritization, scheduling and cost estimates thereof, meet generally accepted utility standards.”

Section A below includes projects in the Sewer System Improvement Program (SSIP) and other portions of the Wastewater Enterprise’s capital program, and certifies that (i) the anticipated projects to be financed by the proposed Revenue Bonds and/or Commercial Paper Notes (the “Notes”), or State and Federal loans including the prioritization, cost estimates and scheduling, meet generally accepted utility standards.

- The findings and conclusions in this Certificate are based on AECOM’s review of the following Documents, references and data provided by the SFPUC:
- Wastewater Enterprise Capital Improvement Program Quarterly Report – (Q__, FY 20__-__), dated _____, 20__.
- Wastewater Enterprise Revenue Bonds and Other Forms of Indebtedness – FY 20__-__ and FY 20__-__ Capital Improvement Projects (Attachment A, as included with the Environmental Planning Certification date _____, 20__).
- Discussions with SFPUC staff.

1. Based upon its review of the Documents and in reliance on the information presented in the Documents, references and data, and in reliance upon conversations and representations of SFPUC staff, the undersigned certifies that the Projects, including prioritization, cost estimates, and scheduling, meet generally accepted utility standards.

2. The Documents contain information about the current status of the Projects, including estimated completion dates and the cost of completion of such Projects.

While developing the Certificate, AECOM reviewed the Documents, references and data and consulted with SFPUC staff. This Certification of the CIP is based on the information provided by the SFPUC. The conclusions and observations contained herein constitute only the opinions of AECOM. The various background documents, statements, and other information supplied by the SFPUC, its employees, and other consultants have been relied upon as being accurate in the performance of these analyses; however, no assurances are given nor warranties implied by AECOM as to the accuracy of such information. AECOM makes no certification and gives no assurances except as explicitly set forth in this document.

SECTION A: CERTIFICATION OF **[SSIP AND WF&I]**

AECOM's review of the Documents, references and data for Section A included a "programmatic approach" such that AECOM certifies that the revenue bonds and/or commercial paper proceeds or state or federal loans are intended to be used by the SFPUC to fund the capital projects included in the Wastewater Enterprise's **[SSIP]** and other portions of the Wastewater Enterprise's capital program. Projects may be moved on or off the CIP list, modified, delayed or accelerated as necessary due to scheduling, budgeting, or other constraints.

Based upon our review of the Documents, references and data provided by the SFPUC, AECOM certifies that the projects to be financed by the revenue bonds and/or commercial paper program, as identified in the Wastewater Enterprise's **[SSIP and WF&I Program]** including the prioritization, cost estimates and scheduling, meet generally accepted utility standards.

Dated this ___ day of _____, 20__

AECOM TECHNICAL SERVICES, INC.

By: _____
Name: _____
Title: _____

SCHEDULE I

ESTIMATED COMPLETION DATE AND COST OF CONSTRUCTION OF PROJECT

Reference the following:

- Attachment A for the list of projects
- Wastewater Enterprise Capital Improvement Program Quarterly Report – (Q__, FY 20__-__), dated _____, 20__ for the estimated completion date and project costs

[Note: Form will apply upon
effective date of the Sixth Supplemental Indenture]

**FORM OF CERTIFICATE REGARDING ISSUANCE OF
WASTEWATER REVENUE BONDS:**

\$ _____

**PUBLIC UTILITIES COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO
WASTEWATER REVENUE BONDS**

\$ _____
20__ SERIES __

\$ _____
20__ SERIES __

\$ _____
20__ SERIES __

CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS

The Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 20__ Series __, 20__ Series __ and 20__ Series __ (collectively, the “*Bonds*”) in the aggregate principal amount of \$ _____, have been issued pursuant to an Indenture (the “*Original Indenture*”), dated as of January 1, 2003, by and between the Public Utilities Commission of the City and County of San Francisco (the “*Commission*”) and U.S. Bank National Association, as trustee (the “*Trustee*”), as supplemented and amended to date, including as supplemented by the _____ Supplemental Indenture (the “*_____ Supplemental Indenture*”) and the _____ Supplemental Indenture (the “*_____ Supplemental Indenture*”), each dated as of _____ 1, 20__, each by and between the Commission and the Trustee. (The Original Indenture as amended and supplemented to date is referred to herein as the “*Indenture*”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture. Pursuant to Sections 3.05(f) of the Indenture, the undersigned, on behalf of the Commission, solely in their official and not in their personal capacities, certify as follows:

(a) We have read the provisions of Sections 3.05 and 3.07 of the Indenture and the definitions of the terms used or referenced therein or relating thereto, and we have made or caused to be made such examination or investigation as is necessary to enable us to express an informed opinion as to the matters required thereby, and in our opinion this certificate satisfies the requirements of Sections 3.05 and 3.07 of the Indenture.

(b) No Event of Default has occurred and is continuing under the Indenture and no event has occurred which, but for the passage of time or the giving of notice, would constitute an Event of Default under the Indenture.

(c) The aggregate principal amount of bonds, including the Bonds, issued under the Indenture does not exceed any limitation imposed by law or by any Supplemental Indenture.

(d) [Test in Section 3.05(f)(ii)(1)] [The Net Revenues for [the most recent Fiscal Year for which audited financial statements are available (the fiscal year ended _____, 20__)] [the consecutive twelve calendar month period ended on [_____], 2018, which period is within the eighteen calendar month period preceding the date of the issuance of the Bonds], produced a sum equal to at least one hundred twenty-five percent (125%) of the Annual Debt Service for the current Fiscal Year (the fiscal year ending __, 20__) (calculated as of the date of sale of, and including, the Bonds), as set forth in Exhibit A attached hereto, such calculations being made in accordance with the provisions of the Indenture.] or [Test in Section 3.05(f)(ii)(2)] [The Net Revenues projected by the Commission for each of the next three Fiscal Years, including any amounts projected to be received from any adopted rate increases and fund balances of the Commission which are projected to be available for the payment of Debt Service (but excluding the Bond Reserve Fund), produced a sum equal to at least one hundred twenty-five percent (125%) of the Annual Debt Service (calculated as of the date of sale of, and including, the Bonds) in each of such Fiscal Years, as set forth in Exhibit A hereto, such calculations being made in accordance with the provisions of the Indenture.]

[END OF CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS]

IN WITNESS WHEREOF, the undersigned have executed this Certificate Regarding Issuance of Additional Bonds as of this ____ day of _____, 20__.

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

TO CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS

[Test in Section 3.05(f)(ii)(1)]

Net Revenues for [fiscal year ended ____, 20__] or [the consecutive twelve calendar month period ended ____, 20__] \$[_____]

Annual Debt Service for fiscal year ending ____, 20__ \$[_____]

Net Revenues as a percent of Annual Debt Service [__]%

[Test in Section 3.05(f)(ii)(2)]

ESTIMATE OF REVENUES
ANNUAL DEBT SERVICE, AND
RESULTING COVERAGE RATIO
(FISCAL YEARS 20__-__ THROUGH 20__-__)

FISCAL YEAR	ESTIMATED REVENUES	ESTIMATED OPERATION AND MAINTENANCE COSTS	ESTIMATED NET REVENUES	ESTIMATED ANNUAL DEBT SERVICE	COVERAGE RATIO
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[Note: upon effective date of the Sixth Supplemental Indenture, this form document will be revised to apply to federal government loans as well]

FORM OF CERTIFICATE REGARDING ISSUANCE OF PARITY STATE LOANS:

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

[PROJECT NAME]

CLEAN WATER STATE REVOLVING FUND PROJECT NO. ____ - ____

[PROJECT NAME]

CLEAN WATER STATE REVOLVING FUND PROJECT NO. ____ - ____

[PROJECT NAME]

CLEAN WATER STATE REVOLVING FUND PROJECT NO. ____ - ____

(WASTEWATER ENTERPRISE)

**CERTIFICATE REGARDING ENTERING INTO PARITY STATE LOANS
PURSUANT TO WASTEWATER INDENTURE**

The Public Utilities Commission of the City and County of San Francisco (the “*Commission*”) has entered into that certain Installment Sale Agreement, with an eligible start date of _____, by and between the Commission and the California State Water Resources Control Board (the “*SWB*”), securing that certain state revolving loan relating to Clean Water State Revolving Fund (“*CWSRF*”) Project No. ____-____ evidenced thereby; that certain Installment Sale Agreement, with an eligible start date of _____, by and between the Commission and the SWB, securing that certain state revolving loan relating to CWSRF Project No. ____-____ evidenced thereby; and, that certain Installment Sale Agreement, with an eligible start date of _____, by and between the Commission and the SWB, securing that certain state revolving loan relating to CWSRF Project No. ____-____ (collectively, the “*Parity State Loans*”) evidenced thereby and each made by the SWB to the Commission to finance certain projects benefiting the wastewater Enterprise (as such term is defined in the Indenture, dated as of January 1, 2003, by and between the Commission and U.S. Bank National Association, as trustee (the “*Trustee*”), as previously supplemented and amended, and as further supplemented and amended by the Fifth Supplemental Indenture, dated as of September 14, 2017 [reference to be updated, upon effective date, with Sixth Supplemental Indenture, dated as of July 1, 2018, which amended the Wastewater Indenture] by and between the Commission and the Trustee (referred to herein as the “*Wastewater Indenture*”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Wastewater Indenture. Pursuant to Section 3.08 of the Wastewater Indenture, the undersigned, on behalf of the Commission, solely in their official and not in their personal capacities, certify as follows:

(a) We have read the provisions of Section 3.08 of the Wastewater Indenture and the definitions of the terms used or referenced therein or relating thereto, and we have made or caused to be made such examination or investigation as is necessary to enable us to express an informed opinion as to the matters required thereby, and in our opinion this certificate satisfies the requirements of Section 3.08 of the Wastewater Indenture.

(b) No Event of Default has occurred and is continuing under the Wastewater Indenture or any Supplemental Indenture and no event has occurred which, but for the passage of time or the giving of notice, would constitute an Event of Default under the Wastewater Indenture or any Supplemental Indenture.

(c) Set forth in Exhibit A hereto are estimates for each of the next three Fiscal Years of: (i) Revenues, (ii) Operation and Maintenance Costs of the Enterprise, (iii) Net Revenues (together with any fund balances of the Commission available for the payment of Debt Service, but excluding the Bond Reserve Fund, and (iv) Annual Debt Service, which demonstrate that the estimated Net Revenues (together with any fund balances of the Commission available for the payment of Debt Service, but excluding the Bond Reserve Fund) in each of such Fiscal Years is at least equal to 1.25 times the Annual Debt Service for such respective Fiscal Years.

[END OF CERTIFICATE REGARDING ENTERING INTO PARITY STATE LOANS
PURSUANT TO WASTEWATER INDENTURE]

[Signature Page to Certificate Regarding Entering into Parity State Loans
Pursuant to Wastewater Indenture]

IN WITNESS WHEREOF, the undersigned have executed this Certificate of the Commission
this ___ day of _____, 20__.

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

**ESTIMATE OF REVENUES, OPERATIONS AND MAINTENANCE COSTS, NET REVENUES
(INCLUDING ANY AVAILABLE FUND BALANCE),
ANNUAL DEBT SERVICE AND DEBT SERVICE COVERAGE**

**(FISCAL YEARS: 20__ - __ THROUGH 20__ - __)
(IN \$000s)**

FISCAL YEAR	ESTIMATED REVENUES	ESTIMATED OPERATIONS AND MAINTENANCE COSTS	ESTIMATED NET REVENUES (INCLUDING ANY AVAILABLE FUND BALANCE ¹)	ESTIMATED ANNUAL DEBT SERVICE	DEBT SERVICE COVERAGE ²
20__ - __					
20__ - __					
20__ - __					

1 “Any Available Fund Balance” means any fund balances of the Commission available for the payment of Debt Service (as defined in the Wastewater Indenture), but excluding the Bond Reserve Fund (as defined in the Indenture), as permitted by Section 3.08 of the Wastewater Indenture. Estimated Net Revenues in Fiscal Years 20__ - __, 20__ - __ and 20__ - __ are \$ _____, \$ _____ and \$ _____, respectively.

2 Pursuant to Wastewater Indenture, minimum 1.25 times coverage required.

EXHIBIT K

[RESERVED]

EXHIBIT L

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this "*Certificate*") is furnished to THE TORONTO-DOMINION BANK, NEW YORK BRANCH (the "*Bank*") pursuant to that certain Revolving Credit and Term Loan Agreement dated as of July 1, 2019 (the "*Agreement*"), between the Public Utilities Commission of the City and County of San Francisco (the "*Commission*") and Bank. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am an Authorized Representative of the Commission;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Commission during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and
4. To the best of my knowledge the financial statements required by Section 7.1(a) of the Agreement and being furnished to you concurrently with this certificate fairly represent the consolidated financial condition of the Commission in accordance with GAAP (subject to year end adjustments) as of the dates and for the periods covered thereby

Describe below the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Commission has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

PUBLIC UTILITIES COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

By _____
Name: _____
Title: _____

EXHIBIT M

LIST OF QUALIFIED DEALERS

BANK OF AMERICA MERRILL LYNCH

BARCLAY'S CAPITAL INC.

CITIGROUP GLOBAL MARKET IN.

GOLDMAN SACHS & CO. LLC

J.P. MORGAN SECURITIES LLC

JEFFERIES LLC

LOOP CAPITAL MARKETS LLC

MORGAN STANLEY & CO. LLC

PIPER JAFFRAY & CO.

RAYMOND JAMES & ASSOCIATES, INC.

RBC CAPITAL MARKETS, LLC

SIEBERT CISNEROS SHANK & CO., L.L.C.

SMBC NIKKO SECURITIES AMERICA, INC. (SUMITOMO MITSUI BANKING CORPORATION)

STIFEL NICOLAS & COMPANY, INC.

TD SECURITIES

U.S. BANCORP INVESTMENTS, INC. U.S. BANK MUNICIPAL PRODUCTS GROUP(A DIVISION OF U.S. BANK NATIONAL ASSOCIATION)

UBS FINANCIAL SERVICES INC.

WELLS FARGO