

EXHIBIT C

TAX CERTIFICATE

LOAN NUMBER: 002-10-ECC
REVENUE BOND SERIES: 2003A / 2005A
REVENUE BOND ISSUANCE DATE: April 10, 2003 / May 11, 2005

In connection with the issuance by the California Infrastructure and Economic Development Bank (the "Bank"), or other issuer authorized by law, of its Bonds, (the "Bonds"), a portion of the proceeds of which will be used to fund, in whole or in part, a loan to the undersigned borrower (the "Borrower"), under the Loan Agreement (the "Loan"), from the California Energy Commission (the "Commission"), to finance the acquisition and/or construction of a capital project of the Borrower (the "Project"), the Borrower hereby certifies, with respect to proceeds of the Loan drawn by the Borrower, as follows:

1. Use of Proceeds and Project. During the period in which the Loan is outstanding, the Borrower shall not (1) sell or otherwise dispose of the Project or any portion thereof to an entity that is not a governmental unit (for this purpose "governmental unit" shall mean only a state or local governmental unit), (2) enter into a lease of the Project or any portion thereof, regardless of type or duration, with an entity other than a governmental unit, (3) enter into a management or service contract with respect to the Project or any portion thereof with an entity other than a governmental unit, unless such management or service contract complies with the requirements of Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-28, I.R.B. 38 (collectively, "Revenue Procedure 97-13"), (4) otherwise enter into any other arrangement with respect to the Project or any portion thereof that gives rise to a "private business use," within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), of the Project or any portion thereof, or (5) make any other use of the proceeds of the Loan that gives rise to a "private business use" of the proceeds of the Loan or any portion thereof. The Borrower shall notify the Commission of any of the aforementioned transactions within five business days of the date on which the Borrower enters into an agreement to effect such transaction. In the case of a sale or disposition of the Project or any portion thereof by the Borrower to a governmental unit, such sale or disposition shall obligate the Borrower to require said governmental unit to assume all covenants and responsibilities in this section. In the event the Borrower sells or disposes of the Project or any portion thereof to a Governmental Unit, the Borrower shall, upon such sale or disposition, repay the Loan or portion thereof allocable to the Project or portion thereof, as the case may be, and shall apply any proceeds it derives from the sale of the Project or portion thereof, as the case may be, to such repayment. Such amount shall be due and payable to the Commission within thirty (30) calendar days of receiving an invoice from the Commission for the balance due. As of the date hereof, (a) no portion of the Project is subject to a lease with a person that is not a governmental unit, and (b) no portion of the Project is subject to a management or service contract, with an entity other than a governmental unit, that does not comply with Revenue Procedure 97-13.

2. No Further Loans. The Borrower shall not allocate any portion of the proceeds of the Loan to the financing of a loan by the Borrower to another entity.
3. No Payment of Debt. The Borrower shall not use any portion of the proceeds of the Loan to pay the principal of or interest on any outstanding indebtedness of the Borrower.
4. Permitted Bases for Paying Expenses. All proceeds of the Loan drawn by the Borrower shall either (1) be used to reimburse the Borrower for costs of the Project paid by the Borrower (a) in anticipation of receiving such proceeds, (b) prior to the date of requisition for such draw, and (c) after the date of approval of the Commission resolution authorizing payment from proceeds of the Bonds or the Energy Conservation Assistance Account, (2) reflect a direct payment by or on behalf of the Commission to the Borrower's vendor in accordance with an arrangement approved, established and implemented by the Commission with respect to such Borrower, or (3) reflect an alternative arrangement that has been approved by Bond Counsel with respect to the Bonds and communicated in writing by the Commission to the Borrower.
5. Capital Expenditures Only. The Borrower shall allocate the proceeds of the Loan solely to costs of the Project that constitute capital expenditures (which may include, among other things, "soft costs" that are properly capitalizable into the cost of the Project). No expenditures to which proceeds of the Loan will be allocated by the Borrower will be operating or working capital expenditures.
6. Economic Life of Project. The Project has a reasonably expected economic that is at least equal to the term of the Loan.
7. No Replacement of Other Moneys. No portion of the proceeds of the Loan is being used as a substitute for other moneys that (a) would have been used to finance the Project to which proceeds of the Loan are being allocated if proceeds of the Bonds were not used to fund the Loan, and (b) have been or will be used to acquire, directly or indirectly, securities or obligations or other investment property.
8. Payment of Loan Debt Service. Payments of debt service on the Loan shall be made directly by the Borrower and, except as provided in the next sentence, the Borrower shall not set aside any moneys for such purpose in advance of such payments. The Borrower may, if it chooses to do so, set aside moneys in a fund or account in advance of a debt service payment date, but only where the Borrower makes such set-aside no more than one year prior to the time such money will be needed, such that any moneys so set aside, together with investment earnings thereon, will be used within one year of such set-aside to pay debt service on the Loan. Any fund or account so established for such purpose will be depleted no less frequently than annually. The Borrower shall make no other set-aside, nor establish any other fund or account, that is reasonably expected to pay debt service on the Loan or that is otherwise pledged as collateral for the Loan so as to create a reasonable assurance that amounts represented by such set-aside, or in such fund or account, would be available to pay debt service on the Loan in the event the Borrower were to encounter financial difficulties. Nothing in this Section is intended to affect the

requirement that the Borrower make payments of debt service on the Loan from certain energy-related savings.

9. No Federal Guarantee. The Borrower shall not enter into any arrangement with respect to the Project or any portion thereof obligating the United States or any agency or instrumentality thereof to make payments of any kind to the Borrower.
10. No Purchase of Bonds. The Borrower shall not purchase any of the Bonds, on the open market or otherwise.

San Francisco Public Utilities Commission
BORROWER

FEDERAL EMPLOYER IDENTIFICATION NUMBER

PRINTED NAME OF AUTHORIZED
REPRESENTATIVE

AUTHORIZED SIGNATURE

TITLE

DATE