
**FIRST SUPPLEMENT TO
TRUST AGREEMENT**

Dated as of May 1, 2016

between the

CITY AND COUNTY OF SAN FRANCISCO

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

RELATING TO

**City and County of San Francisco
Tax-Exempt Lease Revenue
Commercial Paper Certificates of
Participation, Series 1**

and

**City and County of San Francisco
Taxable Lease Revenue
Commercial Paper Certificates of
Participation, Series 1-T**

**City and County of San Francisco
Tax-Exempt Lease Revenue
Commercial Paper Certificates of
Participation, Series 2**

and

**City and County of San Francisco
Taxable Lease Revenue
Commercial Paper Certificates of
Participation, Series 2-T**

FIRST SUPPLEMENT TO TRUST AGREEMENT

THIS FIRST SUPPLEMENT TO TRUST AGREEMENT, dated as of May 1, 2016 (this "First Supplement to Trust Agreement"), by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a charter city and county organized and existing under the laws of the State of California (the "**City**"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States (the "**Trustee**"), supplements that certain Trust Agreement, dated as of June 1, 2010, between the City and the Trustee (the "**Original Trust Agreement**").

BACKGROUND:

WHEREAS, the City has previously adopted and implemented a program under which the City provides financing for certain public capital improvements (collectively, the "**Projects**") and delivered its Tax-Exempt Lease Revenue Commercial Paper Certificates of Participation, Series 1 (the "**Series 1 Certificates**"), its Tax-Exempt Lease Revenue Commercial Paper Certificates of Participation, Series 2 (the "**Series 2 Certificates**" and, with the Series 1 Certificates, the "**Tax-Exempt Commercial Paper Certificates**"), its Taxable Lease Revenue Commercial Paper Certificates, Series 1-T (the "**Series 1-T Certificates**") and its Taxable Lease Revenue Commercial Paper Certificates, Series 2-T (the "**Series 2-T Certificates**" and, with the Series 1-T Certificates, the "**Taxable Commercial Paper Certificates**"). The Tax-Exempt Commercial Paper Certificates and the Taxable Commercial Paper Certificates are referred to collectively as the "**Commercial Paper Certificates**."

WHEREAS, the City entered into the Original Trust Agreement in order to provide for the authentication and delivery of the Commercial Paper Certificates, to establish and declare the terms and conditions upon which the Commercial Paper Certificates were delivered and secured, and to secure the payment of the principal and interest with respect thereto.

WHEREAS, concurrently with the execution of the Original Trust Agreement, the City and the Trustee entered into a Site Lease, dated as of June 1, 2010 (the "**Site Lease**"), under which the Trustee leases from the City certain Property (as defined therein) located in the City, including the buildings and improvements thereon owned by the City.

WHEREAS, concurrently with the execution of the Original Trust Agreement, the City and the Trustee entered into a Sublease, dated as of June 1, 2010 (the "**Sublease**"), under which the City subleases the Property from the Trustee in furtherance of the City's public purposes.

WHEREAS, the City executed and delivered the Commercial Paper Certificates, evidencing proportionate interests in all of the rights of the Trustee under the Sublease, including the right to receive Base Rental payments payable thereunder, and undertook such other responsibilities as are assigned to the Trustee under the Original Trust Agreement.

WHEREAS, the City and the Trustee desire to amend the Original Trust Agreement, as provided in Section 7.01 thereof, in connection with an amendment of the Site Lease and an amendment of the Sublease, in order to (i) increase the Maximum Principal Amount of Commercial Paper Certificates and (ii) replace a provider of the Credit Facilities.

A G R E E M E N T:

In consideration of the foregoing and the material covenants hereinafter contained, the City and the Trustee formally covenant, agree and bind themselves as follows:

SECTION 1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the terms defined in the recitals above have the respective meanings given those terms when used in this First Supplement to Trust Agreement. Capitalized terms which are defined in the Original Trust Agreement and which are not otherwise defined herein shall have the respective meanings given those terms in the Original Trust Agreement.

SECTION 2. Amendments to Definitions.

(a) The Original Trust Agreement is hereby amended by amending and restating the definition of "Base Rental Payment Date" in its entirety as follows:

"Base Rental Payment Date" means August 1, 2010 and each November 1, February 1, May 1 and August 1 thereafter through May 1, 2016, and, commencing October 1, 2016, each October 1, January 1, April 1 and July 1 during the remaining term of the Sublease.

(b) The Original Trust Agreement is hereby amended by amending and restating the definition of "Base Rental Period" in its entirety as follows:

"Base Rental Period" means (i) through April 30, 2016, the one-year period commencing on May 1 of each year and ending on the following April 30, provided that the first Base Rental Period will commence on the first date of delivery of Commercial Paper Certificates and end on April 30, 2011, (ii) the period commencing on May 1, 2016 and ending September 30, 2017, and, (iii) thereafter, the period commencing October 1 of each year and ending on the following September 30.

(c) The Original Trust Agreement is hereby amended by amending and restating the definition of "Delivery and Paying Agent Agreement" in its entirety as follows:

"Delivery and Paying Agent Agreement" means the Amended and Restated Delivery and Paying Agent Agreement dated as of May 1, 2016 between U.S. Bank National Association, and the City, as it may hereafter be amended, restated, supplemented or otherwise modified, or any similar agreement between the City and any successor or substitute Delivery and Paying Agent.

(d) The Original Trust Agreement is hereby amended by amending and restating the definition of "Maximum Principal Amount" in its entirety as follows:

"Maximum Principal Amount" means, \$150,000,000, or such lesser principal amount of indebtedness designated by the City which, if it bore interest at the Maximum Interest Rate and principal and such interest were payable as provided in the Sublease (commencing on the first day of the first Base Rental Period to commence after the date of calculation), could be fully retired from amounts then payable by the City as Maximum Base Rental (as adjusted under the Sublease) during the remaining term of the Sublease.

SECTION 3. Aggregate Principal Amount of Commercial Paper Certificates. The Original Trust Agreement is hereby amended by amending and restating Section 3.01(e)(i)(G) in its entirety as follows:

(G) if the delivery of such Commercial Paper Certificates (1) will occur more than 18 months after Special Counsel's most recently delivered opinion with respect to the Commercial Paper Certificates or (2) will result in an increase in the aggregate principal amount of Certificates Outstanding in excess of \$150,000,000, then the City will have also have received an opinion of Special Counsel that the interest with respect to any Tax-Exempt Commercial Paper Certificates proposed to be delivered will be exempt from California personal income tax and excludable from gross income for federal income tax purposes;

SECTION 4. Sources of Moneys to Pay Commercial Paper Certificates.

(a) Section 2.12 of the Original Trust Agreement is hereby amended to read as follows:

Payment of principal and interest with respect to the Commercial Paper Certificates will be derived only from the following sources in the following order of priority:

(i) proceeds of the sale of any Commercial Paper Certificates that are delivered for the purpose of refinancing, renewing or refunding Certificates;

(ii) moneys drawn by the Delivery and Paying Agent under the Credit Facility relating to such series of Commercial Paper Certificates; and

(iii) revenues derived from the Pledged Property on hand from time to time in the funds and accounts established hereunder and available for such purpose.

(b) A new Section 3.05(f)(i)(B)(5) is added to the Original Trust Agreement, as follows:

(5) Notwithstanding the foregoing, for so long as an Alternate Credit Facility is in effect with respect to the Commercial Paper Certificates and such Alternate Credit Facility is only available to be drawn on if proceeds of Commercial Paper Certificates are not available to pay the principal and interest with respect to maturing Commercial Paper Certificates, then the proceeds of the sale of Commercial Paper Certificates that are delivered for the purpose of refinancing, renewing or refunding Certificates (and interest with respect thereto) and are deposited in the Bank Reimbursement Account within the Delivery and Paying Agent Fund may be used to pay the principal and interest with respect to maturing Commercial Paper Certificates, but only to the extent that amounts are not drawn on the Alternate Credit Facility for such purposes.

SECTION 5. Required Principal Reduction Amount. Section 3.05(f)(iii)(B) of the Original Trust Agreement is hereby amended to read as follows:

(B) No later than each August 1, commencing August 1, 2011 through and including August 1, 2015, and, thereafter, on each October 1, commencing

October 1, 2016, the Delivery and Paying Agent will transfer from the Base Rental Account to the applicable subaccounts of the Bank Reimbursement Account such amount, if any, as will be necessary to pay from the Bank Reimbursement Account to the Banks for Advances to retire maturing Commercial Paper Certificates in an amount not less than the Required Principal Reduction Amount calculated for the then current Base Rental Period. The City will ensure that Commercial Paper Certificates in an amount not less than the Required Principal Reduction Amount will be retired and not reissued no later than August 1 of each Base Rental Period commencing August 1, 2011 or, as applicable, October 1 of each Base Rental Period commencing October 1, 2016. Any amounts remaining in the Base Rental Account on June 30 of each year following such transfer, taking into account the accrued and unpaid interest with respect to the Certificates that will be paid during the next succeeding Base Rental Period (which will be retained in the Base Rental Account), will be applied, first, to pay any amount outstanding on the Revolving Bank Certificates (and interest with respect thereto), and will be applied, second, at the direction of the City, either to retire additional Commercial Paper Certificates (and interest with respect thereto) or for any lawful purpose of the City (in which case such amount will be transferred to or upon the direction of the City). In the event that the City does not provide the Delivery and Paying Agent with any direction, the Delivery and Paying Agent will remit such remaining amounts on deposit in the Base Rental Account to the City.

SECTION 6. Substitution of Property. Section 7.02(b)(ii) of the Original Trust Agreement is hereby amended and restated, adding the bolded language below, to read as follows:

(ii) A Written Certificate of the City (A) stating that the annual fair market rental value of the Property after a substitution, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said substitution, as determined by the City on the basis of an appraisal of the Property after said substitution conducted by a qualified appraiser (who may be (x) an employee of the City through competitive market analysis acceptable to the Banks or (y) a broker acceptable to the Banks pursuant to a broker's price opinion acceptable to the Banks); (B) demonstrating that the useful life of the Property after substitution equals or exceeds the remaining term of the Sublease; and (C) stating that each Component of the Property remaining after such substitution is as essential to the operations of the City as it was at the time such Component became subject to the Sublease;

SECTION 7. Banks. (a) The Original Trust Agreement is hereby amended by replacing references to "JPMorgan Chase Bank, National Association" in the definition of "Banks" and the definition of "Reimbursement Agreements" with "State Street Bank and Trust Company."

(b) Section 10.02 of the Original Trust Agreement is hereby amended by replacing the notice address for JPMorgan Chase Bank, National Association with the following address:

State Street Bank and Trust Company
One Lincoln Street, 5th Floor
Boston, Massachusetts 02111
Attention: Mimi Li
Telephone: (617) 664-3196
Facsimile: (617-946-0188

SECTION 8. Defeasance. Section 10.03 of the Original Trust Agreement is hereby amended and restated, adding the bolded language below, to read as follows:

If, when all or any portion of the Certificates have become due and payable in accordance with their terms or otherwise as provided in this Trust Agreement, the entire principal and interest so due and payable with respect to said Certificates are paid, or if at or prior to the date said Certificates have become due and payable, sufficient moneys or noncallable, nonprepayable, direct obligations of, or obligations guaranteed by, the United States of America, the principal of and interest with respect to which will, in the written opinion of a nationally recognized accounting firm, provide sufficient moneys for such payment, are held in trust by the Trustee or the City and provision is made for paying all other sums payable hereunder by the Trustee or the City with respect to said Certificates and each Bank shall have confirmed in writing that provision has been made for paying any and all amounts owing to such Bank under the related Reimbursement Agreement, the pledge herein created with respect to said Certificates will thereupon cease, terminate and become discharged and said Certificates will no longer be deemed Outstanding for purposes of this Trust Agreement and all the provisions of this Trust Agreement, including all covenants, agreements, liens and pledges made herein, will be deemed duly discharged, satisfied and released.

SECTION 9. Original Trust Agreement. Except as amended hereby, the Original Trust Agreement will remain in full force and effect. Reference to this First Supplement to Trust Agreement need not be made in any note, document, agreement, letter, certificate, the Original Trust Agreement or any communication issued or made subsequent to or with respect to the Original Trust Agreement, it being hereby agreed that any reference to the Original Trust Agreement shall be sufficient to refer to the Original Trust Agreement, as hereby amended.

SECTION 10. Effective Date of First Supplement to Trust Agreement. This First Supplement to Trust Agreement shall take effect upon its execution and delivery, but only upon the receipt of the consent of U.S. Bank National Association and State Street Bank and Trust Company.

SECTION 11. Severability of Invalid Provisions. If any one or more of the provisions contained in this First Supplement to Trust Agreement are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions contained in this First Supplement to Trust Agreement and such invalidity, illegality or unenforceability will not affect any other provision of this First Supplement to Trust Agreement, and this First Supplement to Trust Agreement will be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The City and the Trustee each hereby declares that it would have entered into this First Supplement to Trust Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Second Supplemental Indenture may be held illegal, invalid or unenforceable.

SECTION 12. Execution in Counterparts. This First Supplement to Trust Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument. This First Supplement to Trust Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

IN WITNESS WHEREOF, the parties have executed this First Supplement to Trust Agreement effective the date first above written.

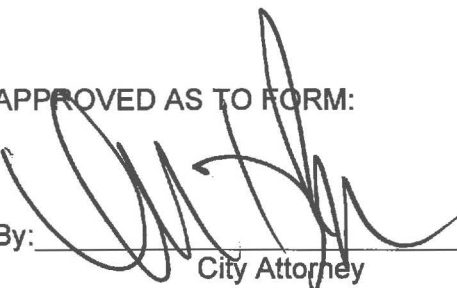
CITY AND COUNTY OF SAN FRANCISCO

By: 
Director of Public Finance

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Authorized Officer

APPROVED AS TO FORM:


By: _____
City Attorney

IN WITNESS WHEREOF, the parties have executed this First Supplement to Trust Agreement effective the date first above written.

CITY AND COUNTY OF SAN FRANCISCO

By: _____
Director of Public Finance

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as Trustee**

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