

RECORDING REQUESTED BY:

CITY AND COUNTY OF SAN FRANCISCO

When Recorded Mail To:

CITY AND COUNTY OF SAN FRANCISCO

Office of the City Attorney

City Hall

1 Dr. Carlton B. Goodlett Place, Room 234

San Francisco, California 94102

Attention: _____

SECOND AMENDMENT AND SUPPLEMENT TO PROJECT LEASE

By and Between

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee,
as Lessor

and

CITY AND COUNTY OF SAN FRANCISCO,
as Lessee

Dated as of _____1, 2025

NO DOCUMENTARY TRANSFER TAX DUE

This Second Amendment and Supplement to Project Lease is exempt pursuant to
Section 27383 of the California Government Code.

THIS SECOND AMENDMENT AND SUPPLEMENT TO PROJECT LEASE , dated as of _____1, 2025_ (this “Second Supplement to Project Lease”), by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under its charter and the Constitution and laws of the State of California (the “City”), as lessee, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, solely in its capacity as Trustee under the hereinafter defined Trust Agreement, as lessor (the “Trustee”);

WITNESSETH:

WHEREAS, the City and the Trustee, have previously entered into a Property Lease, dated as of October 1, 2013 (the “Original Property Lease”), pursuant to which the City leased certain real property and all improvements thereon, generally consisting of certain land and improvements comprising portions of the Laguna Honda Hospital campus within the City (“Laguna Honda Hospital”), owned by the City and located at 375 Laguna Honda Boulevard within the City and portions of the James R. Herman Cruise Terminal at Pier 27 (“Pier 27 Terminal” and, together with Laguna Honda Hospital, the “Prior Leased Property”) to the Trustee; and

WHEREAS, the Trustee and the City have previously entered into a Project Lease, dated as of October 1, 2013 (the “Original Project Lease”), pursuant to which the Trustee leased the Prior Leased Property back to the City.

WHEREAS, the City previously caused the execution and delivery of the City and County of San Francisco Certificates of Participation, Series 2013B (Port Facilities Project) (the “2013B Certificates”) and the City and County of San Francisco Certificates of Participation, Series 2013C (Port Facilities Project) (the “2013C Certificates” and, together with the 2013B Certificates, the “2013BC Certificates”) pursuant to a Trust Agreement, dated as of October 1, 2013, by and between the City and the Trustee (the “Original Trust Agreement”).

WHEREAS, the 2013BC Certificates evidenced direct undivided interests in the lease payments made by the City under the Original Project Lease.

WHEREAS, the City and the Trustee have previously entered into a First Amendment to Property Lease, dated as of February 1, 2015 (the “First Amendment to Property Lease”), amending the Original Property Lease (the Original Property Lease as so amended, the “Existing Property Lease”), a First Amendment to Project Lease, dated as of February 1, 2015 (the “First Amendment to Project Lease”), amending the Original Project Lease (the Original Project Lease as so amended, the “Existing Project Lease”), and a Partial Termination Agreement dated as of February 1, 2015 (the “Partial Termination Agreement”).

WHEREAS, the First Amendment to Property Lease, the First Amendment to Project Lease and the Partial Termination Agreement provided for the release of Laguna Honda Hospital from the Prior Leased Property (such property as modified upon such release being the “Leased Property” under the Existing Property Lease and Existing Project Lease), as contemplated by Section 7.02 of the Original Trust Agreement.

WHEREAS, a portion of the 2013BC Certificates currently remain outstanding and unpaid and may be prepaid and retired by the City upon meeting certain conditions (the “Refunded Certificates”).

WHEREAS, Chapter 43, Article VIII, Section 43.8.1 of the San Francisco Administrative Code (the “Administrative Code”) provides that the policy of the City is to permit the refunding of outstanding lease obligations of the City whenever such refunding shall result in net debt service savings to the City pursuant to the procedure set forth in such Article as well as by any other method permitted by law or other ordinance of the Board.

WHEREAS, the Original Trust Agreement provides for the issuance of additional certificates of participation (as defined in the Original Trust Agreement, “Additional Certificates”) by the execution and delivery of a supplement to the Original Trust Agreement and authorizes the principal and interest with respect to Additional Certificates to be secured by a supplement to the Existing Original Project Lease and to be paid from amounts paid by the City under a supplement to the Existing Original Project Lease.

WHEREAS, the Trustee is executing and delivering Additional Certificates pursuant to the Original Trust Agreement, as supplemented by the First Supplement to Trust Agreement (as so supplemented, the “Trust Agreement”), to provide funds, together with other available funds of the City, to (i) prepay all or any portion of the Refunded Certificates, including the payment of any interest accrued on the principal amounts thereof through the date of payment; [and] (ii) [fund a reserve fund, reserve surety or other reserve fund instrument, as appropriate; and (iii)] pay costs of the execution and delivery of the Additional Certificates;

WHEREAS, the Trustee is simultaneously executing and delivering the City and County of San Francisco Refunding Certificates of Participation, Series 2025-[R1] (Port Facilities Project) (the “2025-[R1] Certificates”) and the City and County of San Francisco Refunding Certificates of Participation, Series 2025-[R2] (Port Facilities Project) (the “2025-[R2] Certificates”) and, collectively with 2025-[R1] Certificates, the “2025-R1/2 Certificates”) as Additional Certificates pursuant to the Trust Agreement;

WHEREAS, the City and Trustee are entering into this Second Supplement to Project Lease to provide for additional Base Rental in connection with the 2025-R1/2 Certificates and certain related matters; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree to supplement the Existing Project Lease as follows:

Section 1 Base Rental. The City agrees to pay, from any legally available funds, aggregate Base Rental in the amounts set forth under the caption “Base Rental Schedule” in Exhibit A to this Second Supplement to Project Lease, which constitutes the principal and interest represented by the 2025-[R1] Certificates and 2025-[R2] Certificates, respectively. The Base Rental consists of annual rental payments with principal and interest components, the interest components being paid semiannually as interest on the principal components computed on the basis of a 360-day year composed of twelve 30-day months. Base Rental is payable on or before the fourth Business Day immediately preceding each Interest Payment Date during the

Project Lease Term. Such Base Rental provided in Exhibit A is supplemented to the amounts due as provided in Section 3.2 and Exhibit A of the Existing Project Lease.

The City shall deposit the Base Rental with the Trustee for application by the Trustee in accordance with the terms of the Trust Agreement. In the event any such date of deposit is not a Business Day, such deposit shall be made on the next succeeding Business Day. In no event shall the amount of Base Rental payable exceed the aggregate amount of principal and interest required to be paid or prepaid on the corresponding Interest Payment Date as represented by the Outstanding Certificates, according to their tenor.

The parties hereto have agreed and determined that such total rental in any Fiscal Year is not and will not be in excess of the total fair rental value of the Leased Property for such Fiscal Year. In making such determination, consideration has been given to the uses and purposes served by the Leased Property and the benefits therefrom that will accrue to the parties by reason of this Project Lease and to the general public by reason of the City's use of the Leased Property.

Section 2 Amendments. The City and the Trustee hereby agree to amend the Project Lease as follows:

[To come: Amendments to update the City procurement provisions.]

Section 3 Existing Project Lease Still in Effect. This Second Supplement to Project Lease and all the terms and provisions herein contained shall form part of the Existing Project Lease, as fully and with the same effect as if all such terms and provisions had been set forth in the Existing Project Lease. The Existing Project Lease is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

Section 4 Governing Law. This Second Supplement to Project Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 5 Counterparts. This Second Supplement to Project Lease may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Second Supplement to Project Lease as of the date first above written.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

CITY AND COUNTY OF SAN FRANCISCO

By: _____
[Controller][Mayor]

ATTEST:

By: _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A
BASE RENTAL SCHEDULE

ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) ss:

On _____ before me, _____ (insert name of the officer), Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]