
FIRST SUPPLEMENT TO TRUST AGREEMENT

by and between the

CITY AND COUNTY OF SAN FRANCISCO,

and

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

Dated as of _____1, 2024

Relating to:

\$_____

CITY AND COUNTY OF SAN FRANCISCO
REFUNDING CERTIFICATES OF PARTICIPATION
SERIES 2025-[R1],
(Port Facilities Project)

and

\$_____

CITY AND COUNTY OF SAN FRANCISCO
REFUNDING CERTIFICATES OF PARTICIPATION
SERIES 2025-[R2],
(Port Facilities Project)

FIRST SUPPLEMENT TO TRUST AGREEMENT

THIS FIRST SUPPLEMENT TO TRUST AGREEMENT, dated as of _____1, 2025 (this “First Supplement to Trust Agreement”), 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”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as Trustee (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 Project Lease and to be paid from amounts paid by the City under a supplement to the Existing Project Lease.

WHEREAS, the Trustee is executing and delivering Additional Certificates pursuant to the Original Trust Agreement, as supplemented by this 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;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree to supplement the Original Trust Agreement as follows:

Section 1. Definitions. Capitalized terms used herein without definition shall have the meanings as set forth in the Original Trust Agreement. The defined terms set forth in the recitals of this First Supplement to Trust Agreement are incorporated by reference into this Section 1. The following additional capitalized terms used herein are hereby defined as follows:

“Escrow Agent”, “Escrow Agreement”, and “Escrow Fund” shall have the respective meanings ascribed to such terms in Section 3(a)(3) and Section 3(b)(3) hereof.

“2025-[R1] Certificates” means the refunding certificates of participation designated “City and County of San Francisco Refunding Certificates of Participation, Series 2025-[R1] (Port Facilities Project)” authorized hereby and outstanding at any time under the Original Trust Agreement, as supplemented.

“2025-[R2] Certificates” means the refunding certificates of participation designated “City and County of San Francisco Refunding Certificates of Participation, Series 2025-[R2] (Port Facilities Project)” authorized hereby and outstanding at any time under the Original Trust Agreement, as supplemented.

“2025-[R1/2] Certificates” means the 2025-[R1] Certificates and the 2025-[R2] Certificates.

“2025-[R1] Costs of Issuance Account” means the account of that name established pursuant to Section 4 hereof.

“2025-[R2] Costs of Issuance Account” means the account of that name established pursuant to Section 4 hereof.

Section 2. Authorization, Designation and Description of the Additional Certificates. The Trustee is hereby authorized and directed to execute and deliver the 2025-[R1] Certificates and the 2025-[R2] Certificates as two series of Additional Certificates to the original purchaser or purchasers thereof. The 2025-[R1] Certificates shall be designated “City and County of San Francisco Refunding Certificates of Participation, Series 2025-[R1] (Port Facilities Project)” (the “2025-[R1] Certificates”), and shall be executed and delivered in the aggregate principal amount of [_____]. The 2025-[R2] Certificates shall be designated “City and County of San Francisco Refunding Certificates of Participation, Series 2025-[R2] (Port Facilities Project)” (the “2025-[R2] Certificates”), and shall be executed and delivered in the aggregate principal amount of [_____]. Each 2025-[R1] Certificate and 2025-[R2] Certificate shall be executed and delivered in fully registered form and shall be numbered as determined by the Trustee. The 2025-[R1] Certificates and the 2025-[R2] Certificates shall be dated [_____], 2025. The 2025-[R1] Certificates and the 2025-[R2] Certificates shall be executed and delivered in Authorized Denominations; provided, however, that the 2025-[R1] Certificates and the 2025-[R2] Certificates shall initially be executed and delivered in book-entry form pursuant to Section 2.11 of the Original Trust Agreement.

The 2025-[R1] Certificates shall have Certificate Payment Dates of March 1 in the years and shall evidence and represent principal components in the amounts, with an interest component with respect thereto calculated on the basis of a 360-day year composed of twelve 30-day months at the rates, as follows:

2025-[R1] Certificates		
Certificate Payment Date (March 1)	<u>Principal Amount</u>	<u>Interest Rate</u>

† Term Certificates

The 2025-[R2] Certificates shall have Certificate Payment Dates of March 1 in the years and shall evidence and represent principal components in the amounts, with an interest component with respect thereto calculated on the basis of a 360-day year composed of twelve 30-day months at the rates, as follows:

2025-[R2] Certificates

Certificate Payment Date (March 1)	<u>Principal Amount</u>	<u>Interest Rate</u>
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† Term Certificates

The interest evidenced and represented by the 2025-[R1/2] Certificates shall be payable on March 1 and September 1 of each year, beginning on [_____] 1, 20__ and continuing to and including their Certificate Payment Dates or on prepayment prior thereto, and shall evidence and represent the sum of the portions of the Base Rental designated as interest components coming due on such date in each year.

The principal evidenced and represented by the 2025-[R1/2] Certificates shall be payable on March 1 of each year, beginning on March 1, _____ and continuing to and including March 1, 20__ and shall evidence and represent the sum of the portions of the Base Rental Payments designated as principal components coming due on each March 1.

[The 2025-[R1] Certificates with Certificate Payment Dates of March 1, 20__, March 1, 20__ and March 1, 20__ shall be subject to mandatory sinking account installment prepayment as set forth in Section 6(c).]

[The 2025-[R2] Certificates with Certificate Payment Dates of March 1, 20__, March 1, 20__ and March 1, 20__ shall be subject to mandatory sinking account installment prepayment as set forth in Section 6(d).]

Section 3. Application of Sale Proceeds of the Additional Certificates and Certain Other Amounts.

(a) Upon sale of the 2025-[R1] Certificates, when the same shall be sold to the original purchaser thereof, an amount of proceeds from such sale equal to [\$_____] (calculated as the principal amount represented by the 2025-[R1] Certificates (\$[___]), [plus/less] a [net/aggregate] original issue [premium/discount] of \$[___][, less an underwriter's discount of \$[___]]), shall be delivered to the Trustee and deposited by the Trustee as follows

(1) The Trustee shall deposit into the 2025-[R1] Costs of Issuance Account the sum of \$[___]. Such amount shall be held in the 2025-[R1] Costs of Issuance Account separate from any other moneys in the Costs of Issuance Fund.

(2) [The Trustee shall deposit into the 2025-[R1] Reserve Account in the Reserve Fund the sum of \$[___] representing the Reserve Requirement as applicable to the 2025-[R1]

Certificates only as of the Closing Date. The 2025-[R1] Reserve Account shall only be available for payments with respect to the 2025-[R1] Certificates.]

(3) [The Trustee shall deposit into the Base Rental Fund the aggregate sum of \$[_____], representing \$[_____] on deposit in the funds and accounts maintained for the 2013B Certificates and released in connection with their prepayment. Such amount shall be applied to prepay the outstanding 2013B Certificates on the Closing Date with respect to the 2025-[R1] Certificates]/[The Trustee shall deposit into the escrow fund (the “Escrow Fund”) established pursuant to an Escrow Agreement dated as of even date herewith (the “Escrow Agreement”) by and between the City and U.S. Bank Trust Company, National Association, as Escrow Agent (the “Escrow Agent”) the aggregate sum of \$[_____], representing certain proceeds of the 2025-[R1] Certificates in the amount of \$[_____] together with \$[_____] on deposit in the funds and accounts maintained for the 2025-[R1] Certificates and released in connection with their prepayment. Such amount shall be invested by the Escrow Agent in accordance with the terms of the Escrow Agreement, and the investment receipts and other cash, if any, on deposit in the Escrow Fund shall be applied by the Escrow Agent to prepay the outstanding 2025-[R1] Certificates on the date or prepayment specified in the Escrow Agreement.]

(b) Upon sale of the 2025-[R2] Certificates, when the same shall be sold to the original purchaser thereof, an amount of proceeds from such sale equal to [\$_____] (calculated as the principal amount represented by the 2025-[R2] Certificates (\$[___]), [plus/less] a [net/aggregate] original issue [premium/discount] of \$[___][, less an underwriter’s discount of \$[___]]), shall be delivered to the Trustee and deposited by the Trustee as follows

(1) The Trustee shall deposit into the 2025-[R2] Costs of Issuance Account the sum of \$[___]. Such amount shall be held in the 2025-[R2] Costs of Issuance Account separate from any other moneys in the Costs of Issuance Fund.

(2) [The Trustee shall deposit into the 2025-[R2] Reserve Account in the Reserve Fund the sum of \$[___] representing the Reserve Requirement as applicable to the 2025-[R2] Certificates only as of the Closing Date. The 2025-[R2] Reserve Account shall only be available for payments with respect to the 2025-[R2] Certificates.]

(3) [The Trustee shall deposit into the Base Rental Fund the aggregate sum of \$[_____], representing \$[_____] on deposit in the funds and accounts maintained for the 2013C Certificates and released in connection with their prepayment. Such amount shall be applied to prepay the outstanding 2013C Certificates on the Closing Date with respect to the 2025-[R2] Certificates]/[The Trustee shall deposit into the escrow fund (the “Escrow Fund”) established pursuant to an Escrow Agreement dated as of even date herewith (the “Escrow Agreement”) by and between the City and U.S. Bank Trust Company, National Association, as Escrow Agent (the “Escrow Agent”) the aggregate sum of \$[_____], representing certain proceeds of the 2025-[R2] Certificates in the amount of \$[_____] together with \$[_____] on deposit in the funds and accounts maintained for the 2025-[R2] Certificates and released in connection with their prepayment. Such amount shall be invested by the Escrow Agent in accordance with the terms of the Escrow Agreement, and the investment receipts and other cash, if any, on deposit in the Escrow Fund shall be applied by the Escrow Agent to prepay the

outstanding 2025-[R2] Certificates on the date or prepayment specified in the Escrow Agreement.]

Section 4. Establishment and Application of 2025-[R1] Costs of Issuance Account and 2025-[R2] Costs of Issuance Account.

(a) There is hereby established in trust a special account designated as the “2025-[R1] Costs of Issuance Account,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds and money held by the Trustee. The Trustee shall administer such account as provided herein. There shall be deposited in the 2025-[R1] Costs of Issuance Account that portion of the proceeds of the 2025-[R1] Certificates required to be deposited therein pursuant to Section 3 hereof. The Trustee shall disburse money from the 2025-[R1] Costs of Issuance Account on such dates and in such amounts as are necessary to pay Costs of Issuance with respect to the 2025-[R1] Certificates, in each case, promptly after receipt of, and in accordance with, a Written Request of a City Representative in the form attached to the Original Trust Agreement as Exhibit B. Any amounts remaining in the 2025-[R1] Costs of Issuance Account on the earlier of the date on which a City Representative has notified the Trustee in writing that all Costs of Issuance with respect to the 2025-[R1] Certificates have been paid or the date twelve (12) months from the Closing Date shall be transferred by the Trustee to the 2025-[R1] Project Account or such other fund or account that has been approved in writing by a City Representative, and the 2025-[R1] Costs of Issuance Account shall then be closed.

(b) There is hereby established in trust a special account designated as the “2025-[R2] Costs of Issuance Account,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds and money held by the Trustee. The Trustee shall administer such account as provided herein. There shall be deposited in the 2025-[R2] Costs of Issuance Account that portion of the proceeds of the 2025-[R2] Certificates required to be deposited therein pursuant to Section 3 hereof. The Trustee shall disburse money from the 2025-[R2] Costs of Issuance Account on such dates and in such amounts as are necessary to pay Costs of Issuance with respect to the 2025-[R2] Certificates, in each case, promptly after receipt of, and in accordance with, a Written Request of a City Representative in the form attached to the Original Trust Agreement as Exhibit B. Any amounts remaining in the 2025-[R2] Costs of Issuance Account on the earlier of the date on which a City Representative has notified the Trustee in writing that all Costs of Issuance with respect to the 2025-[R2] Certificates have been paid or the date twelve (12) months from the Closing Date shall be transferred by the Trustee to the 2025-[R2] Project Account or such other fund or account that has been approved in writing by a City Representative, and the 2025-[R2] Costs of Issuance Account shall then be closed.

Section 5. [Reserve Requirement]/[No Reserve Requirement].

(a) [The Reserve Requirement for the 2025-[R1] Certificates shall be [___ dollars (\$___).00)]. Amounts on deposit in the Reserve Fund shall not be available to support payments with respect to the 2025-[R1] Certificates, and amounts on deposit in the 2025-[R1] Reserve Account in the Reserve Fund shall not be available to support payments with respect to any other certificates of participation of the City authorized and issued pursuant to additional, respective, executed and delivered supplements to the Original Trust Agreement, including without limitation the 2025-[R2] Certificates.]/[The Reserve Requirement for the 2025-[R1] Certificates

shall be zero dollars (\$0.00). Amounts on deposit in the Reserve Fund shall not be available to support payments with respect to the 2025-[R1] Certificates.]

(b) [The Reserve Requirement for the 2025-[R2] Certificates shall be [___ dollars (\$___00)]. Amounts on deposit in the Reserve Fund shall not be available to support payments with respect to the 2025-[R2] Certificates, and amounts on deposit in the 2025-[R2] Reserve Account in the Reserve Fund shall not be available to support payments with respect to any other certificates of participation of the City authorized and issued pursuant to additional, respective, executed and delivered supplements to the Original Trust Agreement, including without limitation the 2025-[R1] Certificates.]/[The Reserve Requirement for the 2025-[R2] Certificates shall be zero dollars (\$0.00). Amounts on deposit in the Reserve Fund shall not be available to support payments with respect to the 2025-[R2] Certificates.]

Section 6. Prepayment. The Additional Certificates shall be subject to prepayment prior to their stated Certificate Payment Dates only as set forth below:

(a) Optional Prepayment of 2025-[R1] Certificates. The 2025-[R1] Certificates with a Certificate Payment Date on or after March 1, 20[___], are subject to optional prepayment prior to their respective Certificate Payment Dates in whole or in part on any date on or after March 1, 20[___], at the option of the City, in the event the City exercises its option under Section 7 of the Original Project Lease to prepay the principal component of the Base Rental payments, at the following prepayment prices (expressed as a percentage of the principal component to be prepaid), plus accrued interest to the date fixed for prepayment, without premium. In the event the City gives notice to the Trustee of its intention to exercise such prepayment option, but fails to deposit with the Trustee on or prior to the prepayment date an amount equal to the prepayment price, the City will continue to pay the Base Rental payments as if no such notice were given. As provided in the Original Trust Agreement, The City may direct the Trustee to provide a conditional notice of prepayment of the 2025-[R1] Certificates identified in such notice, and such notice shall specify its conditional status.

(b) Optional Prepayment of 2025-[R2] Certificates. The 2025-[R2] Certificates with a Certificate Payment Date on or after March 1, 20[___], are subject to optional prepayment prior to their respective Certificate Payment Dates in whole or in part on any date on or after March 1, 20[___], at the option of the City, in the event the City exercises its option under Section 7 of the Original Project Lease to prepay the principal component of the Base Rental payments, at the following prepayment prices (expressed as a percentage of the principal component to be prepaid), plus accrued interest to the date fixed for prepayment, without premium. In the event the City gives notice to the Trustee of its intention to exercise such prepayment option, but fails to deposit with the Trustee on or prior to the prepayment date an amount equal to the prepayment price, the City will continue to pay the Base Rental payments as if no such notice were given. As provided in the Original Trust Agreement, The City may direct the Trustee to provide a conditional notice of prepayment of the 2025-[R2] Certificates identified in such notice, and such notice shall specify its conditional status.

(c) Sinking Account Installment Prepayment of 2025-[R1] Certificates. The 2025-[R1] Certificates with a Certificate Payment Date of March 1, 20[___], are subject to sinking account installment prepayment prior to their Certificate Payment Date in part, by lot, on each

March 1, beginning March 1, 20[___], in the amounts set forth below, from scheduled payments of the principal component of Base Rental payments, at the principal amount of the 2025-[R1] Certificates to be prepaid, plus accrued interest to the prepayment date, without premium:

Prepayment Date (March 1)	Sinking Account <u>Installment Amount</u>
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The 2025- [R1] Certificates with a Certificate Payment Date of March 1, 20[___], are subject to sinking account installment prepayment prior to their Certificate Payment Date in part, by lot, on each March 1, beginning March 1, 20[___], in the amounts set forth below, from scheduled payments of the principal component of Base Rental payments, at the principal amount of the 2025-[R1] Certificates to be prepaid, plus accrued interest to the prepayment date, without premium:

Prepayment Date (March 1)	Sinking Account <u>Installment Amount</u>
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(d) Sinking Account Installment Prepayment of 2025-[R2] Certificates. The 2025-[R2] Certificates with a Certificate Payment Date of March 1, 20[___], are subject to sinking account installment prepayment prior to their Certificate Payment Date in part, by lot, on each March 1, beginning March 1, 20[___], in the amounts set forth below, from scheduled payments of the principal component of Base Rental payments, at the principal amount of the 2025-[R2] Certificates to be prepaid, plus accrued interest to the prepayment date, without premium:

Prepayment Date (March 1)	Sinking Account <u>Installment Amount</u>
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The 2025- [R2] Certificates with a Certificate Payment Date of March 1, 20[___], are subject to sinking account installment prepayment prior to their Certificate Payment Date in part, by lot, on each March 1, beginning March 1, 20[___], in the amounts set forth below, from scheduled payments of the principal component of Base Rental payments, at the principal amount of the 2025-[R2] Certificates to be prepaid, plus accrued interest to the prepayment date, without premium:

Prepayment Date	Sinking Account
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(_____ 1)

Installment Amount

(e) Special Mandatory Prepayment. The 2025-[R1/2] Certificates are subject to mandatory prepayment prior to their respective Certificate Payment Dates in whole or in part on any date, at the Prepayment Price (plus accrued but unpaid interest to the prepayment date), without premium, from amounts deposited in the Base Rental Fund pursuant to Section 4.09 or Section 4.10 of the Original Trust Agreement following an event of damage, destruction or condemnation of the Leased Property or any portion thereof or loss of the use or possession of the Leased Property or any portion thereof due to a title defect. Such mandatory prepayment of Base Rental shall be applied pro rata among all series of Certificates.

Section 7. Rebate Accounts.

(a) There is hereby established within the Rebate Fund a special account designated the “2025-[R1] Rebate Account,” which shall be held by the Trustee and which shall be kept separate and apart from all other accounts and money held by the Trustee. Amounts received by the Trustee as Additional Rental with respect to any rebate requirement for the 2025-[R1] Certificates as set forth in written instructions of a City Representative in accordance with the provisions of the Tax Certificate shall be deposited in the 2025-[R1] Rebate Account. Amounts on deposit in the 2025-[R1] Rebate Account shall only be applied to payments made to the United States of America in accordance with written instructions of a City Representative or returned to the City as directed in writing by a City Representative.

(b) There is hereby established within the Rebate Fund a special account designated the “2025-[R2] Rebate Account,” which shall be held by the Trustee and which shall be kept separate and apart from all other accounts and money held by the Trustee. Amounts received by the Trustee as Additional Rental with respect to any rebate requirement for the 2025-[R2] Certificates as set forth in written instructions of a City Representative in accordance with the provisions of the Tax Certificate shall be deposited in the 2025-[R2] Rebate Account. Amounts on deposit in the 2025-[R2] Rebate Account shall only be applied to payments made to the United States of America in accordance with written instructions of a City Representative or returned to the City as directed in writing by a City Representative.

Section 8. Amendments to Trust Agreement. The City and the Trustee hereby agree to amend the Trust Agreement as follows:

[To come: Update to City procurement provisions.]

This First Supplement to Trust Agreement and all the terms and provisions herein contained shall form part of the Original Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Original Trust Agreement, as amended and supplemented by the First Supplement to Trust Agreement. The Original Trust Agreement 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 9. Governing Law. This First Supplement to Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 10. Counterparts. This First Supplement to Trust Agreement 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 First Supplement to Trust Agreement 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

ATTEST:

By: _____
[Controller][Mayor]

By: _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney