
**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 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.

AGREEMENT:

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. Maximum Principal Amount.

(a) 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.

(b) 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 3. Banks. (a) The 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 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

Attention: _____

Telephone: _____

Facsimile: _____

SECTION 4. 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 5. 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 6. 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 7. 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: _____
Mayor

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

APPROVED AS TO FORM:

By: _____
City Attorney