
**THIRD SUPPLEMENT TO
INDENTURE OF TRUST**

by and between the

**PORT COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO**

and

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

Dated as of February 1, 2020

**\$ _____
PORT COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO
REFUNDING REVENUE BONDS,
SERIES 2020A (NON-AMT TAX-EXEMPT)**

and

**\$ _____
PORT COMMISSION OF THE
CITY AND COUNTY OF SAN FRANCISCO
REFUNDING REVENUE BONDS,
SERIES 2020B (FEDERALLY TAXABLE)**

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THIRD SUPPLEMENT TO INDENTURE OF TRUST

This THIRD SUPPLEMENT TO INDENTURE OF TRUST, dated as of February 1, 2020 (the "**Third Supplemental Indenture**"), is by and between the PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (the "**Commission**"), duly constituted and established under Sections 4.100 et seq. of the Charter of the City and County of San Francisco, and U.S. BANK NATIONAL ASSOCIATION, a national trust company duly organized under the laws of the United States of America, as successor trustee to Deutsche Bank National Trust Company (the "**Trustee**");

WITNESSETH:

WHEREAS, the Commission has entered into an agreement dated as of January 24, 1969 (the "**State Agreement**") pursuant to which the State of California (the "**State**") has transferred ownership of the Port of San Francisco to the City and County of San Francisco (the "**City**"); and

WHEREAS, under Section 4.114 of the Charter of the City and County of San Francisco (the "**Charter**"), the Commission has under its management, supervision, operation and control all real and personal property transferred under State of California Statutes 1968, Chapter 1333, and of all other properties wherever situated as it may acquire or which may be placed under its management, supervision or control (the "**Port Area**"); and

WHEREAS, under Section 9.107 of the Charter and Ordinance No. 258-09, adopted by the Board of Supervisors of the City on December 8, 2009 and signed by Mayor Gavin Newsom on December 18, 2009, and codified as Chapter 43, Article XII of the San Francisco Administrative Code, the Commission has the authority to issue port revenue bonds for the purpose of acquiring, constructing, improving or developing ports or port facilities under its jurisdiction and port revenue bonds under such terms and conditions as the Commission may authorize by resolution; and

WHEREAS, the Commission has authorized and issued the Series 2020 Bonds pursuant to Resolution No. _____ of the Commission, adopted on October 7, 2019 (the "**Port Commission Resolution**") and the Board of Supervisors of the City has approved the Series 2020 Bonds pursuant to Resolution No. _____, adopted on December 17, 2019 and signed by Mayor London Breed on _____, 2019 (the "**City Resolution**"); and

WHEREAS, the Commission previously entered into an Indenture of Trust, dated as of February 1, 2010 (the "**Master Indenture**"), by and between the Commission and the Trustee, which provides for the security and issuance of one or more series of port revenue bonds (the "**Bonds**"); and

WHEREAS, the Commission previously entered into a First Supplement to Indenture of Trust, dated as of February 1, 2010 (the "**First Supplemental Indenture**") in order to provide for the issuance of two series of Bonds designated as "Revenue Bonds, Series 2010A (Non-AMT Tax-Exempt)" (the "**Series 2010A Bonds**") and "Revenue Bonds, Series 2010B (Taxable)" (the "**Series 2010B Bonds**"); together with the Series 2010A Bonds, the "**Series 2010 Bonds**"; and

WHEREAS, the Commission subsequently entered into a Second Supplement to Indenture of Trust, dated as of May 1, 2014 (the "**Second Supplemental Indenture**"); together

with the Master Indenture and the First Supplemental Indenture, the “**Existing Indenture**”) in order to provide for the issuance of two series of Bonds designated as “Revenue Bonds, Series 2014A (AMT Tax-Exempt)” (the “**Series 2014A Bonds**”) and “Revenue Bonds, Series 2014B (Federally Taxable)” (the “**Series 2014B Bonds**”; together with the Series 2014A Bonds, the “**Series 2014 Bonds**”); and

WHEREAS, the Series 2010 Bonds are subject to optional redemption on March 1, 2020; and

WHEREAS, for the purpose of refunding the Series 2010 Bonds, the Commission wishes to enter into this Third Supplemental Indenture in order to provide for the terms of the following two series of Bonds, which will be issued under and in accordance with the Charter and the Act (as defined in the Existing Indenture) and pursuant to the terms and conditions set forth in the Master Indenture and herein:

- (i) “Refunding Revenue Bonds, Series 2020A (Non-AMT Tax-Exempt)” (the “**Series 2020A Bonds**”) and
- (ii) “Refunding Revenue Bonds, Series 2020B (Federally Taxable)” (the “**Series 2020B Bonds**”; together with the Series 2020A Bonds, the “**Series 2020 Bonds**”); and

WHEREAS, the Trustee has received an Opinion of Bond Counsel (as defined in the Master Indenture) stating that this Third Supplemental Indenture (i) is authorized by the Master Indenture, the Act and other applicable law, (ii) will, upon the execution and delivery thereof, be a valid and binding agreement of the Commission in accordance with its terms and (iii) will not adversely affect the tax-exempt status of interest on any tax-exempt Bonds.

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH that in order to secure the payment of the Principal Amount of, premium, if any, and the interest on the Series 2020 Bonds delivered under the Master Indenture and hereunder and to secure the performance of the terms, conditions, covenants, agreements, trusts, uses and purposes hereinafter expressed, and in consideration of the premises and covenants herein contained and of the purchase and acceptance of the Series 2020 Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Commission does hereby agree and covenant with the Trustee for the benefit of the respective Owners, from time to time, of the Series 2020 Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The capitalized terms used in this Second Supplemental Indenture shall have the meanings assigned to such terms in the Existing Indenture, unless otherwise defined below or elsewhere in this Second Supplemental Indenture or unless a different meaning clearly applies from the context in which such term is used herein:

“Closing Date” shall mean February __, 2020, the date of issuance of the Series 2020 Bonds.

“Depository” shall mean (a) initially, DTC, and (b) any other securities depository acting as Depository pursuant to Section 2.06 hereof.

“Depository System Participant” shall mean any participant in the Depository’s book-entry system.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Bank” means U.S. Bank National Association, and any successor and assign.

“Existing Indenture” means the Master Indenture, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture.

“First Supplemental Indenture” shall mean the First Supplement to Indenture of Trust, dated as of February 1, 2010, by and between the Commission and the Trustee, as successor trustee.

“Master Indenture” shall mean the Indenture of Trust, dated as of February 1, 2010, by and between the Commission and the Trustee.

“Nominee” shall mean “Cede & Co.” or any successor nominee designated by the Depository pursuant to the terms of the Indenture.

“Qualified Facility” means a dock or wharf and property that is functionally related and subordinate to a dock or wharf, including storage or training facilities directly related to the dock or wharf and physically located on or adjacent to the dock or wharf as described in Treasury Regulation section 1.103-8(3).

“Qualified Project Costs” means costs paid with respect to the portion of the Series 2010A Projects financed with Series 2010A Proceeds that meet each of the following requirements: (i) the costs are properly chargeable to the capital account (or would be so chargeable with a proper election by the Commission or but for a proper election by the Commission to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during rehabilitation or construction of the portion of the Series 2010A Projects financed with Series 2010A Proceeds shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the portion of the Series 2010A Projects financed with Series 2010A Proceeds; and provided further that interest accruing after the date of completion of the portion of the Series 2010A Projects financed with Series 2010A Proceeds shall not be a Qualified Project Cost; (ii) the costs are paid with respect to a qualified facility or facilities within the meaning of Section 142(c) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the date of a declaration of “official intent” to reimburse costs paid with respect to the portion of the Series 2010A Projects financed with Series 2010A Proceeds (within the meaning of §1.150-2 of the United States Treasury Regulations) or the date of issue of the Series 2010A Bonds, and (iv) if the costs relating to the portion of the Series 2010A Projects financed with Series 2010A Proceeds were previously paid and are to be reimbursed with Series 2010A Proceeds such costs were (A) costs of issuance of the Series 2010A Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.150-2(f)(2)) with respect to the portion of the Series 2010A Projects financed with Series 2010A Proceeds (such as architectural, engineering and soil testing services) incurred before commencement of

acquisition or construction of the portion of the Series 2010A Projects financed with Series 2010A Proceeds that do not exceed twenty percent (20%) of the issue price of the Series 2010A Bonds (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the portion of the Series 2010A Projects financed with Series 2010A Proceeds that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the portion of the Series 2010A Projects financed with Series 2010A Proceeds is placed in service (but no later than three (3) years after the expenditure is paid). Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by the Commission in constructing or rehabilitating the portion of the Series 2010A Projects financed with Series 2010A Proceeds (or any portion thereof), and (B) any reasonable fees for supervisory services actually rendered by the Commission.

“Second Supplemental Indenture” shall mean the Second Supplement to Indenture of Trust, dated as of May 1, 2014, by and between the Commission and the Trustee.

“Series 2014 Bonds” shall have the meaning given that term in the Recitals.

“Series 2010 Bonds” shall mean collectively the Series 2010A Bonds and the Series 2010B Bonds.

“Series 2010A Bonds” shall mean the \$14,220,000 aggregate principal amount of Port Commission of the City and County of San Francisco Revenue Bonds, Series 2010A (Non-AMT Tax-Exempt).

“Series 2010A Escrow Deposit and Trust Agreement” means the Escrow Deposit and Trust Agreement (Series 2010A Bonds), dated the Closing Date, between the Port Commission and the Escrow Bank.

“Series 2010A Escrow Fund” means the Escrow Fund created under the Series 2010A Escrow Deposit and Trust Agreement.

“Series 2010A Proceeds” has the meaning given that term in Section 4.02(g) of this Third Supplemental Indenture.

“Series 2010A Projects” shall mean the design, construction, reconstruction, repair and/or improvement of the facilities of the Port of San Francisco financed by the Series 2010A Bonds.

“Series 2010B Bonds” shall mean the \$22,430,000 aggregate principal amount of Port Commission of the City and County of San Francisco Revenue Bonds, Series 2010B (Taxable).

“Series 2010B Escrow Deposit and Trust Agreement” means the Escrow Deposit and Trust Agreement (Series 2010B Bonds), dated the Closing Date, between the Port Commission and the Escrow Bank.

“Series 2010B Escrow Fund” means the Escrow Fund created under the Series 2010B Escrow Deposit and Trust Agreement.

“Series 2020 Bonds” shall mean, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020 Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed by the Commission, dated the Closing Date , as originally executed and as may be amended from time to time.

“Series 2020 Interest Payment Date” shall mean March 1 and September 1 of each year, commencing September 1, 2020.

“Series 2020 Payment Date” means each Series 2020 Interest Payment Date and Series 2020 Principal Payment Date.

“Series 2020 Principal Payment Date” shall mean March 1 of each year, commencing September 1, 2020.

“Series 2020 Record Date” shall mean the close of business on the fifteenth day of the month preceding each Series 2020 Interest Payment Date, whether or not such fifteenth day is a Business Day.

“Series 2020A Bonds” shall mean the \$_____ aggregate principal amount of Port Commission of the City and County of San Francisco Refunding Revenue Bonds, Series 2020A (Non-AMT Tax-Exempt).

“Series 2020B Delivery Costs Fund” shall mean the fund by that name established pursuant to Section 2.04(b) hereof.

“Series 2020B Bonds” shall mean the \$_____ aggregate principal amount of Port Commission of the City and County of San Francisco Refunding Revenue Bonds, Series 2020B (Federally Taxable).

“Series 2020B Delivery Costs Fund” shall mean the fund by that name established pursuant to Section 2.05(b) hereof.

“Third Supplemental Indenture” shall mean this Third Supplement to Indenture of Trust, dated as of February 1, 2020, by and between the Commission and the Trustee, as successor trustee.

ARTICLE II

TERMS OF SERIES 2020 BONDS

Section 2.01. Authorization and Purpose of Series 2020 Bonds. The Commission hereby authorizes the issuance of the Series 2020 Bonds for the purpose of providing moneys to refund the 2010 Bonds. The parties hereto hereby acknowledge and agree that the Series 2020 Bonds constitute “Bonds” as defined in the Master Indenture, that the Commission has delivered to the Trustee those items described in Section 2.09(a) and (b) of the Master Indenture and that the Series 2020 Bonds are secured by Net Revenues and the other amounts described in Section 5.01 of the Master Indenture on a parity with (i) the Series 2014 Bonds and (ii) any additional Series of Bonds which may hereafter be issued under the Indenture.

Section 2.02. Terms of the Series 2020 Bonds. (a) General. The Series 2020 Bonds authorized to be issued by the Commission under and subject to the terms of the Indenture and

the Charter and the Act shall be issued in two Series in the aggregate principal amounts specified below:

Series 2020A Bonds: "Port Commission of the City and County of San Francisco Refunding Revenue Bonds, Series 2020A (Non-AMT Tax-Exempt)," which shall be issued in the aggregate principal amount of \$_____.

Series 2020B Bonds: "Port Commission of the City and County of San Francisco Refunding Revenue Bonds, Series 2020B (Federally Taxable)," which shall be issued in the aggregate principal amount of \$_____.

As further provided herein, the Series 2020A Bonds shall be issued as tax-exempt qualified private activity bonds and the Series 2020B Bonds shall be issued as federally taxable obligations.

The Series 2020A Bonds shall be dated the Closing Date, shall bear interest at the rates set forth herein (calculated on the basis of a 360-day year comprised of 12 30-day months), shall be issued as fully registered bonds in authorized denominations of \$5,000 or any integral multiple thereof, shall be numbered in such manner as the Trustee may deem appropriate so long as each Series 2020A Bond receives a distinctive number and shall mature, subject to the right of prior redemption in whole or in part, as described herein, and become payable in the amounts and on the dates as provided herein.

The Series 2020B Bonds shall be dated the Closing Date, shall bear interest at the rates set forth herein (calculated on the basis of a 360-day year comprised of 12 30-day months), shall be issued as fully registered bonds in authorized denominations of \$5,000 or any integral multiple thereof, shall be numbered in such manner as the Trustee may deem appropriate so long as each Series 2020B Bond receives a distinctive number and shall mature, subject to the right of prior redemption in whole or in part, as described herein, and become payable in the amounts and on the dates as provided herein.

(b) Maturity Schedule of Series 2020A Bonds. The Series 2020A Bonds shall bear interest at the rates per annum, payable on each Series 2020 Interest Payment Date, and be payable as to principal on each Series 2020 Principal Payment Date in each of the years and in the amounts indicated as follows:

<u>Series 2020A Bonds</u>		
<u>Year</u> <u>(March 1)</u>	<u>Principal</u>	<u>Interest Rate</u>

* Term Bonds

(c) Maturity Schedule of Series 2020B Bonds. The Series 2020B Bonds shall bear interest at the rates per annum, payable on each Series 2020 Interest Payment Date, and be

payable as to principal on each Series 2020 Principal Payment Date in each of the years and in the amounts indicated as follows:

<u>Series 2020B Bonds</u>		
<u>Year</u> <u>(March 1)</u>	<u>Principal</u>	<u>Interest Rate</u>

(d) Payment of Series 2020 Bonds. The Series 2020 Bonds shall bear interest from the Series 2020 Interest Payment Date immediately preceding the date of authentication thereof unless (i) the date of authentication thereof is prior to the first regular Series 2020 Record Date in which event from the dated date of such Series 2020 Bond, or (ii) the date of authentication thereof is a Series 2020 Interest Payment Date, in which event from that Series 2020 Interest Payment Date, or (iii) the date of authentication thereof is after a regular Series 2020 Record Date but before the following Series 2020 Interest Payment Date, in which event it shall bear interest from such Series 2020 Interest Payment Date.

Payment of interest on the Series 2020 Bonds shall be paid by check or draft mailed by the Trustee on the Series 2020 Interest Payment Date via first class mail to the Holders at their addresses shown on the registration books of the Trustee as of the close of business on the Series 2020 Record Date with respect to such Series 2020 Interest Payment Date; provided that payment of interest may be paid by federal wire transfer to an account in the United States designated by any Holder of Series 2020 Bonds in the aggregate principal amount of \$1,000,000 or more, upon provision of a written notice received by the Trustee prior to the applicable Series 2020 Record Date. Any such written notice shall remain in effect until terminated or changed by subsequent written notice of the Holder.

Interest shall be paid notwithstanding the cancellation of any Series 2020 Bonds upon any exchange or registration of transfer thereof subsequent to the Series 2020 Record Date and prior to such Series 2020 Interest Payment Date.

The Principal Amount of and redemption premiums, if any, on the Series 2020 Bonds and payments of interest due at maturity or earlier redemption of the Series 2020 Bonds, shall be payable upon the surrender thereof at the Corporate Trust Office of the Trustee. The Principal Amount of and redemption premiums, if any, and interest on the Series 2020 Bonds shall be paid in lawful money of the United States of America.

(e) Limitations on Transfer and Exchange of Series 2020 Bonds. The Commission and the Trustee shall not be required to issue, register the transfer of, or exchange (i) any Series 2020 Bond during the period beginning on the fifteenth day of the month preceding each Series 2020 Interest Payment Date and ending on such Series 2020 Interest Payment Date, during the fifteen (15) days preceding the selection of Series 2020 Bonds for redemption, on any date on which notice of redemption is scheduled to be mailed, on any redemption date, or (ii) any Series 2020 Bond selected for redemption.

(f) Optional Redemption of the Series 2020 Bonds.

(i) Series 2020A Bonds. The Series 2020A Bonds scheduled to mature on or before March 1, 20__ are not subject to optional redemption prior to maturity. The Series 2020A Bonds maturing on or after March 1, __ shall be subject to redemption as a whole or in part among such maturities as designated by the Commission (and by lot within any one maturity) prior to their respective maturity dates, at the option of the Commission, on any date on or after March 1, __, from funds derived by the Commission from any legally available source, at redemption prices equal to the principal amount to be redeemed, together with interest accrued thereon to the date of redemption, without premium.

(ii) Series 2020B Bonds. The Series 2020B Bonds are not subject to optional redemption prior to their maturity.

(g) Mandatory Sinking Fund Payments for Series 2020A Bonds. The Series 2020A Bonds (the "**Series 2020A Term Bonds**") shall also be subject to mandatory redemption in part by lot prior to their maturity date, on March 1, commencing on the dates specified below, solely from money which has been deposited into the Series 2020 Principal Account in amounts and upon the dates hereby established for such Series 2020A Term Bonds, as follows:

<u>Series 2020A Term Bonds Maturing on March 1, _____</u>	
<u>Year</u>	<u>Mandatory</u>
<u>(March 1)</u>	<u>Sinking Fund Payments</u>
Total	
*Maturity	

<u>Series 2020A Term Bonds Maturing on March 1, _____</u>	
<u>Year</u>	<u>Mandatory</u>
<u>(March 1)</u>	<u>Sinking Fund Payments</u>
Total	
*Maturity	

<u>Series 2020A Term Bonds Maturing on March 1, _____</u>	
<u>Year</u>	<u>Mandatory</u>
<u>(March 1)</u>	<u>Sinking Fund Payments</u>
Total	
*Maturity	

(2) The Trustee shall deposit in the Series 2020A Delivery Costs Fund established pursuant to Section 2.04(c) hereof the amount of \$____, which shall be used to pay Delivery Costs with respect to the Series 2020A Bonds as directed by a certificate of an Authorized Commission Representative. The amount deposited in the Series 2020A Delivery Costs Fund shall result in the Commission complying with Section 4.02(k) of this Third Supplemental Indenture.

(b) Series 2020A Delivery Costs Fund. The Trustee shall establish a Series 2020A Delivery Costs Fund for the deposit and retention of a portion of the Series 2020A Bond proceeds held pending disbursement thereof. The Trustee shall disburse amounts in the Series 2020A Delivery Costs Fund upon receipt from an Authorized Commission Representative of a requisition setting out the payee, the amount of such disbursement and the purpose of such disbursement, including a statement that said disbursement was incurred for Delivery Costs. Upon the earlier of 180 days after initial delivery of the Series 2020A Bonds or receipt by the Trustee of a certificate of an Authorized Commission Representative that all Delivery Costs with respect to Series 2020A Bonds have been paid, the Trustee shall transfer remaining amounts in the Series 2020A Delivery Costs Fund to the Series 2020 Interest Account to pay interest on the Series 2020A Bonds.

The Trustee shall have no duty or liability to monitor the application of any moneys disbursed hereunder. The Trustee shall be absolutely protected in making any disbursement from the Series 2020A Delivery Costs Fund in reliance upon a requisition of an Authorized Commission Representative. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

Section 2.05. Application of Proceeds of Sale of the Series 2020B Bonds; Establishment of Series 2020B Delivery Costs Fund.

(a) Application of Proceeds. Upon receipt on the Closing Date of payment of the purchase price for the Series 2020B Bonds in the amount of \$_____ (representing \$_____ principal amount, less an underwriters' discount in the amount of \$_____) from the original purchaser thereof, the Trustee shall set aside and deposit such amount as follows:

(1) On the Closing Date, the Trustee shall transfer \$_____ to the Escrow Bank for deposit in the Series 2010B Escrow Fund.

(2) The Trustee shall deposit in the Series 2020B Delivery Costs Fund established pursuant to Section 2.05(c) the amount of \$_____, which amount shall be used to pay Delivery Costs with respect to the Series 2020B Bonds as directed by a certificate of an Authorized Commission Representative.

(b) Series 2020B Delivery Costs Fund. The Trustee shall establish a Series 2020B Delivery Costs Fund for the deposit and retention of a portion of the Series 2020B Bond proceeds held pending disbursement thereof. The Trustee shall disburse amounts in the Series 2020B Delivery Costs Fund upon receipt from an Authorized Commission Representative of a requisition setting out the payee, the amount of such disbursement and the purpose of such disbursement, including a statement that said disbursement was incurred for Delivery Costs. Upon the earlier of 180 days after initial delivery of the Series 2020B Bonds or receipt by the Trustee of a certificate of an Authorized Commission Representative that all Delivery Costs with

respect to Series 2020B Bonds have been paid, the Trustee shall transfer remaining amounts in the Series 2020B Delivery Costs Fund to the Series 2020 Interest Account.

The Trustee shall have no duty or liability to monitor the application of any moneys disbursed hereunder. The Trustee shall be absolutely protected in making any disbursement from the Series 2020B Delivery Costs Fund in reliance upon a requisition of the Commission. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

Section 2.06. Book-Entry Provisions.

(a) Original Delivery. The Commission may provide prior to the date of delivery of the Series 2020 Bonds, that the Series 2020 Bonds may be initially delivered in book-entry form pursuant to this Section 2.06.

The Series 2020 Bonds initially delivered in book-entry form shall be initially delivered in the form of a separate single fully registered Series 2020 Bond without coupons (which may be typewritten) for each maturity of the Series 2020 Bonds. Upon initial delivery, the ownership of each such Series 2020 Bond shall be registered by the Trustee in the name of the Nominee. Except as provided in subsection (c) below, the ownership of all such Outstanding Series 2020 Bonds shall be registered in the name of the Nominee on the registration books of the Registrar.

With respect to Series 2020 Bonds the ownership of which shall be registered in the name of the Nominee, the Commission and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Commission holds an interest in the Series 2020 Bonds. Without limiting the generality of the immediately preceding sentence, the Commission and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2020 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2020 Bondholder as shown in the Registration Books, of any notice with respect to the Series 2020 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2020 Bonds to be redeemed in the event the Commission elects to redeem the Series 2020 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2020 Bondholder as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2020 Bonds or (v) any consent given or other action taken by the Depository as Holder of the Series 2020 Bonds. The Commission and the Trustee may treat and consider the person in whose name each Series 2020 Bond is registered as the absolute owner of such Series 2020 Bond for the purpose of payment of principal, premium and interest on such Series 2020 Bond, for the purpose of giving notices of prepayment and other matters with respect to such Series 2020 Bond, for the purpose of registering transfers of ownership of such Series 2020 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Series 2020 Bonds only to the respective Holders or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series 2020 Bonds to the extent of the sum or sums so paid. No person other than a Series 2020 Bondholder shall receive a Series 2020 Bond evidencing the obligation of the Commission to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee

hereunder for all purposes; and upon receipt of such a notice the Commission shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2020 Bonds for the Depository's book-entry system, the Commission and the Trustee shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2020 Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Commission or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2020 Bonds other than the Series 2020 Bondholders. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, the Commission may take any other actions, not inconsistent with this Indenture, to qualify the Series 2020 Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2020 Bonds, or (ii) the Commission determines to terminate the Depository as such, then the Commission shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Commission and the Trustee in the issuance of replacement Series 2020 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2020 Bonds, and by surrendering the Series 2020 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2020 Bonds are to be issued. The Depository, by accepting delivery of the Series 2020 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Commission fails to identify another Securities Depository to replace the Depository, then the Series 2020 Bonds shall no longer be required to be registered in the name of the Nominee, but shall be registered in whatever name or names the Holders transferring or exchanging Series 2020 Bonds shall designate, in accordance with the provisions of Article II of the Master Indenture. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2020 Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2020 Bond and all notices with respect to such Series 2020 Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section 2.06 or as otherwise instructed by the Depository.

ARTICLE III

SERIES 2020 INTEREST AND PRINCIPAL ACCOUNTS; SERIES 2020A REBATE FUND; EARNINGS ON DEBT SERVICE FUND AND RESERVE FUND

Section 3.01. Series 2020 Interest and Principal Accounts. Moneys accumulated in the Enterprise Fund shall be transferred by the Commission to the Trustee for deposit in the Debt Service Fund as provided in Section 5.05 of the Master Indenture and this Section 3.01; provided, that the following accounts are created in the Debt Service Fund held by the Trustee with respect to the Series 2020 Bonds; provided further, however, that to the extent that

deposits have been made in any of the accounts referred to below from the proceeds of the sale of the Series 2020 Bonds or otherwise, the deposits below need not be made:

(a) Series 2020 Interest Account. On or before the Business Day prior to each Series 2020 Interest Payment Date, the Commission shall transfer from the Enterprise Fund to the Trustee for deposit in the Series 2020 Interest Account within the Debt Service Fund (which account is hereby created), the interest to become due on the Series 2020 Bonds on such Series 2020 Interest Payment Date; provided that the Commission need not transfer any moneys at such time as the balance in said Series 2020 Interest Account shall be equal to the aggregate amount of interest becoming due and payable on the then Outstanding Series 2020 Bonds on the next succeeding Series 2020 Interest Payment Date. The obligation to make the foregoing transfers shall be on a parity with the obligation to fund interest on the Series 2014 Bonds pursuant to the Second Supplemental Indenture and any interest accounts henceforth created under the Indenture with respect to any additional Series of Bonds which may hereafter be issued under the Indenture, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference.

(b) Series 2020 Principal Account. On or before the Business Day prior to each Series 2020 Principal Payment Date, the Commission shall transfer from the Enterprise Fund to the Trustee for deposit in the Series 2020 Principal Account within the Debt Service Fund (which account is hereby created), the Principal Amount to become due on the Series 2020 Bonds on such Series 2020 Principal Payment Date; provided that the Commission need not transfer any moneys at such time as the balance in said Series 2020 Principal Account shall be equal to the aggregate Principal Amount becoming due and payable on the then Outstanding Series 2020 Bonds on the next succeeding Series 2020 Principal Payment Date. The obligation to make the foregoing transfers shall be on a parity with the obligation to fund the principal account for the Series 2014 Bonds pursuant to the Second Supplemental Indenture and any principal accounts henceforth created under the Indenture with respect to any additional Series of Bonds which may hereafter be issued under the Indenture, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference.

Section 3.02. Reserved.

Section 3.03. Rebate Fund.

(a) General. The Trustee shall establish a special fund designated the "Series 2020A Bonds Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "**Rebate Requirement**") with respect to the Series 2020A Bonds, pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the "**Treasury Regulations**"). The Commission may by Supplemental Indenture establish additional funds or accounts for purposes of satisfying the Rebate Requirement with respect to any other Outstanding Bonds. Amounts on deposit in the Rebate Fund shall be free and clear of any lien under the Indenture and shall be governed by this Section 3.03 and Section 6.07 of the Master Indenture and by the Tax Certificate relating to the Series 2020A Bonds. The Trustee shall be deemed conclusively to have complied with the Rebate Requirement if it follows the directions of the Commission, and shall have no

independent responsibility to, or liability resulting from its failure to, enforce compliance by the Commission with the Rebate Requirement.

(b) Deposits.

(i) Within 45 days of the end of each Bond Year (as such term is defined in the Tax Certificate), (1) the Commission shall calculate or cause to be calculated with respect to the Series 2020A Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) upon the Commission’s written direction, the Trustee shall deposit to the Rebate Fund from deposits from the Commission, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated.

(ii) The Trustee shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section 3.03.

(iii) The Commission shall not be required to calculate the “rebate amount,” and the Trustee shall not be required to make deposit of any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Series 2020A Bonds (including amounts treated as proceeds of the Series 2020A Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the Commission under Section 148(f)(4)(C)(vii) of the Code to pay a 1½% penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the Commission shall provide written direction to the Trustee that the Trustee shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Bonds. Any funds remaining in the Rebate Fund after payment of all the Series 2020 Bonds and any amounts described in paragraph (2) of subsection (d) of this Section 3.03, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees to the Trustee, shall be withdrawn by the Trustee and remitted to the Commission.

(d) Withdrawal for Payment of Rebate. Upon the Commission’s written direction, but subject to the exceptions contained in subsection (b) of this Section 3.03 to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the Trustee shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148 3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Series 2020A Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148 3 of the Treasury Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section 3.03 shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be completed by the arbitrage rebate consultant for execution by the Commission and provided to the Trustee.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Commission shall calculate the amount of such deficiency and direct the Trustee to deposit an amount received from the Commission equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amounts. In the event that immediately following the calculation required by subsection (b) of this Section 3.03, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection (b), upon written instructions from the Commission, the Trustee shall withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Keeping. The Commission shall retain records of all determinations made hereunder until six years after the complete retirement of the Series 2020 Bonds.

(i) Survival of Defeasance. Notwithstanding anything in the Indenture to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Series 2020A Bonds.

ARTICLE IV

COVENANTS RELATING TO THE 2020 BONDS

Section 4.01. Continuing Disclosure. The Commission hereby covenants and agrees that it will comply with the provisions of the Series 2020 Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Commission to comply with the Series 2020 Continuing Disclosure Certificate shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of the Participating Underwriter (as defined in the Series 2020 Continuing Disclosure Certificate) or the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Outstanding Series 2020 Bonds, shall) or any holder or Beneficial Owner (as defined in the Series 2020 Continuing Disclosure Certificate), may take such actions as may be necessary and appropriate to cause the Commission to comply with the provisions of the Series 2020 Continuing Disclosure Certificate.

Section 4.02. Tax Covenants.

(a) Federal Guarantee Prohibition. The Commission will not take any action or permit or suffer any action to be taken if the result of such action would be to cause the Series 2020A Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(b) Rebate Requirement. The Commission will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2020A Bonds.

(c) No Arbitrage. The Commission will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Series 2020A Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2020A Bonds would have caused the Series 2020A Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(d) Maintenance of Tax-Exemption. The Commission will take all actions necessary to assure the exclusion of interest on the Series 2020A Bonds from the gross income of the Owners of the Series 2020A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of delivery of the Series 2020A Bonds.

(e) Record Retention. The Commission will retain its records of all accounting and monitoring it carries out with respect to the Series 2020A Bonds for at least 3 years after the Series 2020A Bonds mature or are redeemed (whichever is earlier); however, if the Series 2020A Bonds are redeemed and refunded, the Commission will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2020A Bonds.

(f) Compliance with Tax Certificate. The Commission will comply with the provisions of the Tax Certificate and the Use of Proceeds Certificate with respect to the Series 2020A Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Series 2020A Bonds.

(g) Qualified Bonds. The Commission will assure that the sale proceeds of the Series 2010A Bonds, plus any investment earnings thereon (the “Series 2010A Proceeds”) are used in a manner such that the Series 2020A Bonds will satisfy the requirements of section 142(a)(2) and 142(c) of the Code (including the Treasury Regulations thereunder) relating to qualified docks and wharves, and the Commission will use that portion of the Series 2010A Projects financed with the Series 2010A Proceeds in such a manner that it qualifies as a dock or wharf within the meaning of section 142(a)(2) of the Code for so long as the Series 2020A Bonds remain outstanding.

(h) Public Use Requirement. The portion of the Series 2010A Projects financed with the Series 2010A Proceeds will satisfy the public use requirement either (a) by being located in a public port or (b) by being available for use by members of the general public.

(i) Governmental Ownership Requirement. The Commission covenants that the portion of the Series 2010A Projects financed with Series 2010A Proceeds will be owned by the Commission or by a governmental unit within the meaning of section 142(b)(1) of the Code. For this purpose, leased property is treated as owned by a governmental unit only if (A) the lessee irrevocably elects (which election is binding on the lessee and all successors under the lease) not to claim depreciation or investment credits for such property; (B) the lease term does not

exceed 80% of the reasonably expected economic life of the property financed; and (C) any option to purchase is at a price equal to the fair market value at the time of exercise of the option.

(j) Prohibited Private Business Uses. The Commission covenants that no Series 2010A Proceeds will be used to finance the following facilities if such facilities are used for a private business use:

- (i) lodging facilities;
- (ii) retail facilities (including food and beverage facilities) in excess of a size necessary to serve passengers and employees at the port facility;
- (iii) retail facilities (other than parking) located outside of the port terminal;
- (iv) office buildings for use by individuals other than employees of a governmental unit or of the operating authority; and
- (v) industrial parks or manufacturing facilities.

(k) Costs of Issuance Limitation. The Commission covenants that, from the Series 2010A Proceeds, an amount not in excess of two percent (2%) of the Series 2010A Proceeds was used for costs of issuance of the Series 2010A Bonds, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the original purchaser of the Series 2010A Bonds were retained as a discount on the purchase of the Series 2010A Bonds, such retention shall be deemed to be an expenditure of Series 2010A Proceeds for said fees.

The Commission covenants that, from the Series 2020A Proceeds, an amount not in excess of two percent (2%) of the Series 2020A Proceeds will be used for costs of issuance of the Series 2020A Bonds, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the original purchaser of the Series 2020A Bonds were retained as a discount on the purchase of the Series 2020A Bonds, such retention shall be deemed to be an expenditure of Series 2020A Proceeds for said fees.

(l) Limitation of Expenditure of Proceeds. The Commission covenants that not less than 95% of the net Series 2010A Proceeds (within the meaning of section 150(a)(3) of the Code) will be paid for Qualified Project Costs.

(m) Limitation on Land Acquisition. The Commission covenants that less than 25% of the Series 2010A Proceeds will be used, directly or indirectly, for the acquisition of land.

(n) Existing Facilities Limit. The Commission covenants that no Series 2010A Proceeds will be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation will not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in section 147(d) of the Code) with respect to such building equal or exceed 15% of the portion of the cost of acquiring such building (and equipment) financed with Series 2010A Proceeds; and provided, further, that this limitation will not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100% of the portion of the cost of acquiring such structure financed with the Series 2010A Proceeds.

(o) Certain Uses Prohibited. The Commission covenants that no Series 2010A Proceeds will be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(p) Limitation on Office Space. The Commission covenants that no Series 2010A Proceeds will be used to finance office space unless the office is located on the premises of that portion of the Series 2010A Projects financed with the Series 2010A Proceeds and not more than a de minimis amount of the functions to be performed at such office is not directly related to the day-to-day operations at that portion of the Series 2010A Projects financed with the Series 2010A Proceeds.

ARTICLE V

MISCELLANEOUS

Section 5.01. Effective Date of Third Supplemental Indenture. This Third Supplemental Indenture shall take effect upon its execution and delivery.

Section 5.02. Existing Indenture to Remain in Effect. Except as provided in this Third Supplemental Indenture, the Existing Indenture shall remain in full force and effect. In the event of any conflict between the provisions of this Third Supplemental Indenture and the Existing Indenture, the provisions of this Third Supplemental Indenture shall govern.

Section 5.03. Execution in Counterparts. This Third Supplemental Indenture 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.

IN WITNESS WHEREOF, the parties hereto have executed this Second Supplemental Indenture by their officers thereunto duly authorized as of the day and year first written above.

PORT COMMISSION OF THE CITY AND
COUNTY OF SAN FRANCISCO

Executive Director

ATTEST:

Commission Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

Authorized Officer

Authorized Officer

EXHIBIT A

(FORM OF SERIES 2020A BOND (NON-AMT TAX-EXEMPT))

Registered No. _____ \$_____

**PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO
REFUNDING REVENUE BONDS,
SERIES 2020A (Non-AMT Tax-Exempt)**

Interest Rate Maturity Date Dated Date CUSIP

March 1, 20__ [Closing Date]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ Thousand Dollars***

The PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (hereinafter sometimes called the "Commission"), a public body, corporate and politic, duly organized and existing under the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco (the "Charter"), for value received, hereby promises to pay (but solely out of the funds hereinafter mentioned) to the registered owner hereof as shown above or registered assigns (herein sometimes referred to as the "Owner" or "Holder"), subject to the right of prior redemption (if any) hereinafter mentioned, the Principal Amount specified above, on the maturity date specified above, and to pay such Owner on each March 1 and September 1 of each year commencing on September 1, 2020 (each, a "Series 2020 Interest Payment Date") by check or draft mailed by the Trustee hereinafter referred to on the Series 2020 Interest Payment Date via first class mail to such Owner at such Owner's address shown on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Series 2020 Interest Payment Date (the "Series 2020 Record Date"), or by federal wire transfer to an account in the United States designated by such Owner of Bonds in the aggregate Principal Amount of \$1,000,000 or more, upon provision of a written notice received by the Trustee prior to the applicable Series 2020 Record Date, interest on such Principal Amount from the Series 2020 Interest Payment Date immediately preceding the date of authentication hereof (unless (i) the date of authentication hereof is prior to the first regular Series 2020 Record Date in which event from the dated date specified above, or (ii) the date of authentication hereof is a Series 2020 Interest Payment Date, in which event from that Series 2020 Interest Payment Date, or (iii) the date of authentication hereof is after a regular Series 2020 Record Date but before the following Series 2020 Interest Payment Date, in which event it shall bear interest from such Series 2020 Interest Payment Date) until the Principal Amount hereof shall have been paid or provided for in accordance with the Indenture hereinafter referred to, at the interest rate per annum set forth above payable semiannually on each Series 2020 Interest Payment Date. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Principal Amount of and redemption premiums, if any, and interest on the Series 2020 Bonds shall be paid in lawful money of the United States of America. The Principal Amount of and redemption premiums, if any, on the Series 2020 Bonds and payments of interest due at maturity or earlier redemption of the Series 2020 Bonds, shall be payable upon the surrender thereof at the corporate trust office (the "Corporate Trust Office")

of U.S. Bank National Association, as trustee (the "Trustee"), in St. Paul, Minnesota. All capitalized terms which are used herein, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Indenture (as hereinafter defined).

The Bonds (as defined in the Indenture hereinafter referred to) are special, limited obligations of the Commission, and are payable as to Principal Amount, redemption premium, if any, and interest, out of the Net Revenues, and not out of any other funds or moneys of the Commission not pledged thereto, as further provided in the Indenture. No Holder of the Bonds shall have the right to compel any exercise of the taxing power of the Commission, the City, the State of California or any political subdivision thereof to pay the Principal Amount of or the redemption premium, if any, or interest on the Bonds. This Bond is not a lien, charge or liability, as to either the Principal Amount or interest, against the State of California or any political subdivision thereof or against the Commission, the City or the Board of Supervisors of the City, or against the property or funds of any of the foregoing, except to the extent of the pledge of Net Revenue, as provided by the Indenture.

This Bond is one of a duly authorized issue of Bonds of the Commission designated "Port Commission of the City and County of San Francisco Refunding Revenue Bonds, Series 2020A (Non-AMT Tax-Exempt)" (herein called the "Series 2020A Bonds"), in an aggregate principal amount of \$_____, all of like tenor and date (except for bond numbers, interest rates, amounts and maturity) and all of which have been issued pursuant to and in full conformity with the Constitution and laws of the State of California and the Charter. The Series 2020A Bonds are authorized by and issued pursuant to certain resolutions duly adopted by the City and the Commission and under the Indenture of Trust, dated as of February 1, 2010, as amended and supplemented by a First Supplement to Indenture of Trust, dated as of February 1, 2010 (the "First Supplement"), a Second Supplement to Indenture of Trust, dated as of May 1, 2014 and Third Supplement to Indenture of Trust, dated as of February 1, 2020 (together, the "Indenture"), each by and between the Commission and the Trustee, a copy of which is on file with the Secretary of the Commission and the Trustee.

This Bond will be secured by Net Revenues and other funds specified in the Indenture on parity with the following outstanding series of Bonds: (i) "Revenue Bonds, Series 2014A (AMT Tax-Exempt)," (ii) the "Revenue Bonds, Series 2014B (Federally Taxable)," and (iii) "Refunding Revenue Bonds, Series 2020B (Federally Taxable)," and with any other Outstanding Bonds hereafter issued in accordance with the Indenture.

All of the Bonds are equally secured in accordance with the terms of the Indenture, reference to which is hereby made for a specific description of the security provided for said Bonds, for the nature, extent and manner of enforcement of such security and for the covenants and agreements made for the benefit of the Holders of the Bonds. By the acceptance of this Bond the Owner hereof consents to all of the terms, conditions and provisions of the Indenture. All of the provisions of the Indenture are hereby incorporated by reference into this Bond as if set forth in full herein, and any inconsistency between the provisions of this Bond and the Indenture shall be resolved in favor of the Indenture. In the manner provided in the Indenture, said Indenture and the rights and obligations of the Commission and of the Holders of Bonds may (with certain exceptions as stated in said Indenture) be amended or supplemented with the consent of the Holders of at least fifty-one percent (51%) in aggregate Principal Amount of Outstanding Bonds of all Series affected by such amendment, unless such amendment is for the purpose of, among other things, curing ambiguities or formal defects or omissions, correcting or supplementing any provision which may be inconsistent with any other provision or

to make any other change or addition which shall not have a material adverse effect on the interests of the Holders, in which case no Bondholders' consent is required.

The Series 2020A Bonds are subject to optional and mandatory redemption as provided in the Indenture.

This Bond is issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof and is negotiable upon proper transfer of registration. This Bond is transferable by the Owner hereof or by his duly authorized attorney, at the Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new Series 2020A Bond of any authorized denomination or denominations for the same aggregate principal amount and maturity of the same issue will be issued to the transferee in exchange therefor. This Bond may also be exchanged for a like aggregate principal amount of Series 2020A Bonds of other authorized denominations of the same maturity and interest rate, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture, upon surrender and cancellation of this Bond.

The Commission and the Trustee shall not be required to issue, register the transfer of, or exchange (i) any Series 2020A Bond during the period beginning on the fifteenth day of the month preceding each Series 2020 Interest Payment Date and ending on such Series 2020 Interest Payment Date, during the fifteen (15) days preceding the selection of Series 2020A Bonds for redemption, on any date on which notice of redemption is scheduled to be mailed or on any redemption date, or (ii) any Series 2020A Bond selected for redemption.

The Commission and the Trustee may treat the Owner hereof as the absolute Owner hereof for all purposes, and the Commission and the Trustee shall not be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

The Commission by execution of this Bond hereby certifies that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter, and that this Bond, together with all other indebtedness of the Commission pertaining to the Port Area, is within every debt and other limit prescribed by the Constitution and statutes of the State of California and said Charter.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Commission or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Bond to be signed on its behalf by the signature of its Executive Director, all as of the Dated Date set forth above.

By: _____
Executive Director of the Port

(FORM OF CERTIFICATE OF AUTHENTICATION OF BONDS)

This is one of the Bonds described in the within mentioned Indenture.

Date of Authentication: _____, 2020

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:

Authorized Signatory

* * * * *

(FORM OF ASSIGNMENT OF BONDS)

For value received _____ hereby sells, assigns and transfers unto
_____ the within mentioned Bond and hereby irrevocably
constitutes and appoints _____, attorney, to transfer the same on the books of the
Trustee with full power of substitution in the premises.

NOTE: The signature(s) on this Bond must
correspond with the name(s) as written on the face
of the within Registered Bond in every particular,
without alteration or enlargement or any change
whatsoever.

Dated: _____, 20__

Signature Guaranteed By:

NOTE: Signature must be
guaranteed by an eligible
guarantor institution.

(FORM OF SERIES 2020B (FEDERALLY TAXABLE) BOND)

Registered No.

\$ _____

**PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO
REFUNDING REVENUE BONDS,
SERIES 2020B (Federally Taxable)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
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March 1, 20__	[Closing Date]		
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ Thousand Dollars***

The PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO (hereinafter sometimes called the "Commission"), a public body, corporate and politic, duly organized and existing under the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco (the "Charter"), for value received, hereby promises to pay (but solely out of the funds hereinafter mentioned) to the registered owner hereof as shown above or registered assigns (herein sometimes referred to as the "Owner" or "Holder"), subject to the right of prior redemption hereinafter mentioned, the Principal Amount specified above, on the maturity date specified above, and to pay such Owner on each March 1 and September 1 of each year commencing on September 1, 2020 (each, a "Series 2020 Interest Payment Date") by check or draft mailed by the Trustee hereinafter referred to on the Series 2020 Interest Payment Date via first class mail to such Owner at such Owner's address shown on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Series 2020 Interest Payment Date (the "Series 2020 Record Date"), or by federal wire transfer to an account in the United States designated by such Owner of Bonds in the aggregate Principal Amount of \$1,000,000 or more, upon provision of a written notice received by the Trustee prior to the applicable Series 2020 Record Date, interest on such Principal Amount from the Series 2020 Interest Payment Date immediately preceding the date of authentication hereof (unless (i) the date of authentication hereof is prior to the first regular Series 2020 Record Date in which event from the dated date specified above, or (ii) the date of authentication hereof is a Series 2020 Interest Payment Date, in which event from that Series 2020 Interest Payment Date, or (iii) the date of authentication hereof is after a regular Series 2020 Record Date but before the following Series 2020 Interest Payment Date, in which event it shall bear interest from such Series 2020 Interest Payment Date) until the Principal Amount hereof shall have been paid or provided for in accordance with the Indenture hereinafter referred to, at the interest rate per annum set forth above payable semiannually on each Series 2020 Interest Payment Date. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Principal Amount of and redemption premiums, if any, and interest on the Series 2020 Bonds shall be paid in lawful money of the United States of America. The Principal Amount of and redemption premiums, if any, on the Series 2020 Bonds and payments of interest due at maturity or earlier redemption of the Series 2020 Bonds, shall be payable upon the surrender thereof at the corporate trust office (the "Corporate Trust Office") of U.S. Bank National Association, as trustee (the "Trustee"), in St. Paul, Minnesota. All capitalized terms which are used herein, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Indenture (as hereinafter defined).

The Bonds (as defined in the Indenture hereinafter referred to) are special, limited obligations of the Commission, and are payable as to Principal Amount, redemption premium, if any, and interest, out of the Net Revenues, and not out of any other funds or moneys of the Commission not pledged thereto, as further provided in the Indenture. No Holder of the Bonds shall have the right to compel any exercise of the taxing power of the Commission, the City, the State of California or any political subdivision thereof to pay the Principal Amount of or the redemption premium, if any, or interest on the Bonds. This Bond is not a lien, charge or liability, as to either the Principal Amount or interest, against the State of California or any political subdivision thereof or against the Commission, the City or the Board of Supervisors of the City, or against the property or funds of any of the foregoing, except to the extent of the pledge of Net Revenue, as provided by the Indenture.

This Bond is one of a duly authorized issue of Bonds of the Commission designated "Port Commission of the City and County of San Francisco Refunding Revenue Bonds, Series 2020B (Federally Taxable)" (herein called the "Series 2020B Bonds"), in an aggregate principal amount of \$_____, all of like tenor and date (except for bond numbers, interest rates, amounts and maturity) and all of which have been issued pursuant to and in full conformity with the Constitution and laws of the State of California and the Charter. The Series 2020B Bonds are authorized by and issued pursuant to certain resolutions duly adopted by the City and the Commission and under the Indenture of Trust, dated as of February 1, 2010, as amended and supplemented by a First Supplement to Indenture of Trust, dated as of February 1, 2010 (the "First Supplement"), a Second Supplement to Indenture of Trust, dated as of May 1, 2014 and a Third Supplement to Indenture of Trust, dated as of February 1, 2020 (together, the "Indenture"), each by and between the Commission and the Trustee, a copy of which is on file with the Secretary of the Commission and the Trustee.

This Bond will be secured by Net Revenues and other funds specified in the Indenture on parity with the following outstanding series of Bonds: (i) the "Revenue Bonds, Series 2014A (AMT Tax-Exempt)," (ii) the "Revenue Bonds, Series 2014B (Federally Taxable)," and (iii) the "Refunding Revenue Bonds, Series 2020A (Non-AMT Tax-Exempt)," and with any other Outstanding Bonds hereafter issued in accordance with the Indenture.

All of the Bonds are equally secured in accordance with the terms of the Indenture, reference to which is hereby made for a specific description of the security provided for said Bonds, for the nature, extent and manner of enforcement of such security and for the covenants and agreements made for the benefit of the Holders of the Bonds. By the acceptance of this Bond the Owner hereof consents to all of the terms, conditions and provisions of the Indenture. All of the provisions of the Indenture are hereby incorporated by reference into this Bond as if set forth in full herein, and any inconsistency between the provisions of this Bond and the Indenture shall be resolved in favor of the Indenture. In the manner provided in the Indenture, said Indenture and the rights and obligations of the Commission and of the Holders of Bonds may (with certain exceptions as stated in said Indenture) be amended or supplemented with the consent of the Holders of at least fifty-one percent (51%) in aggregate Principal Amount of Outstanding Bonds of all Series affected by such amendment, unless such amendment is for the purpose of, among other things, curing ambiguities or formal defects or omissions, correcting or supplementing any provision which may be inconsistent with any other provision or to make any other change or addition which shall not have a material adverse effect on the interests of the Holders, in which case no Bondholders' consent is required.

The Series 2020B Bonds are not subject to redemption prior to their stated maturity date.

This Bond is issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof and is negotiable upon proper transfer of registration. This Bond is transferable by the Owner hereof or by his duly authorized attorney, at the Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new Series 2020B Bond of any authorized denomination or denominations for the same aggregate principal amount and maturity of the same issue will be issued to the transferee in exchange therefor. This Bond may also be exchanged for a like aggregate principal amount of Series 2020B Bonds of other authorized denominations of the same maturity and interest rate, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture, upon surrender and cancellation of this Bond.

If the Series 2020B Bonds are subject to redemption, the Commission and the Trustee shall not be required to issue, register the transfer of, or exchange (i) any Series 2020B Bond during the period beginning on the fifteenth day of the month preceding each Series 2020 Interest Payment Date and ending on such Series 2020 Interest Payment Date, during the fifteen (15) days preceding the selection of Series 2020B Bonds for redemption, on any date on which notice of redemption is scheduled to be mailed or on any redemption date, or (ii) any Series 2020B Bond selected for redemption.

The Commission and the Trustee may treat the Owner hereof as the absolute Owner hereof for all purposes, and the Commission and the Trustee shall not be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

The Commission by execution of this Bond hereby certifies that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter, and that this Bond, together with all other indebtedness of the Commission pertaining to the Port Area, is within every debt and other limit prescribed by the Constitution and statutes of the State of California and said Charter.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Commission or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the PORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Bond to be signed on its behalf by the signature of its Executive Director, all as of the Dated Date set forth above.

By: _____
Executive Director of the Port

(FORM OF CERTIFICATE OF AUTHENTICATION OF BONDS)

This is one of the Bonds described in the within mentioned Indenture.

Date of Authentication: _____, 2020

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:

Authorized Signatory

* * * * *

(FORM OF ASSIGNMENT OF BONDS)

For value received _____ hereby sells, assigns and transfers unto
_____ the within mentioned Bond and hereby irrevocably
constitutes and appoints _____, attorney, to transfer the same on the books of the
Trustee with full power of substitution in the premises.

NOTE: The signature(s) on this Bond must
correspond with the name(s) as written on the face
of the within Registered Bond in every particular,
without alteration or enlargement or any change
whatsoever.

Dated: _____, 20__

Signature Guaranteed By:

NOTE: Signature must be
guaranteed by an eligible
guarantor institution.