

**SECOND SUPPLEMENT TO
INDENTURE OF TRUST**

by and between the

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee

Dated as of [Dated Date], 2013

relating to

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
REVENUE BONDS,
SERIES 2013**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01. Definitions	2
ARTICLE II TERMS OF SERIES 2013 BONDS	4
Section 2.01. Authorization and Purpose of Series 2013 Bonds	4
Section 2.02. Terms of the Series 2013 Bonds	4
Section 2.03. Forms of Series 2013 Bonds	6
Section 2.04. Application of Proceeds of Sale of the Series 2013 Bonds	6
Section 2.05. Establishment of Series 2013 Delivery Costs Account, and Series 2013 Project Costs Account.....	6
Section 2.06. Book-Entry Provisions.....	7
ARTICLE III SERIES 2013 INTEREST AND PRINCIPAL ACCOUNTS; SERIES 2013 RESERVE ACCOUNT; SERIES 2013 REBATE FUND	9
Section 3.01. Series 2013 Interest and Principal Accounts	9
Section 3.02. Series 2013 Debt Service Account	9
Section 3.03. Series 2013 Reserve Account	10
Section 3.04. 2013 Rebate Fund	10
ARTICLE IV MISCELLANEOUS	13
Section 4.01. Continuing Disclosure	13
Section 4.02. Effective Date of Second Supplemental Indenture	13
Section 4.03. Indenture to Remain in Effect	13
Section 4.04. Execution in Counterparts.....	13
FORM OF SERIES 2013 BOND	EXHIBIT A

SECOND SUPPLEMENT TO INDENTURE OF TRUST

This SECOND SUPPLEMENT TO INDENTURE OF TRUST, dated as of [Dated Date], 2013 (the "Second Supplemental Indenture"), by and between the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (the "SFMTA"), duly constituted and established under Sections 8A.100 et seq. of the Charter of the City and County of San Francisco and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. a national trust company duly organized under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the SFMTA is an agency of the City and County of San Francisco (the "City") and is governed by its Board of Directors (the "SFMTA Board"); and

WHEREAS, under Sections 8A.100, 8A.101 and 8A.102 of the Charter of the City and County of San Francisco (the "Charter"), the SFMTA is charged with managing the City's transportation system (the "Transportation System"), which includes the Municipal Railway, the former Department of Parking and Traffic and other transportation functions; and

WHEREAS, under Section 8A.102 of the Charter and Ordinance No. 57-12 adopted by the Board of Supervisors of the City (the "City Board") on April 17, 2012 and signed by Mayor Edwin M. Lee on April 19, 2012, and codified as Chapter 43, Article XIII, Sections 43.13.1 through 43.13.8 of the San Francisco Administrative Code (the "Act"), the SFMTA has the authority to issue transportation revenue bonds for the purpose of acquiring, constructing, improving or developing facilities and equipment under its jurisdiction, and transportation revenue refunding bonds under such terms and conditions as the SFMTA may authorize by resolution, with the concurrence of the City Board; and

WHEREAS, the SFMTA has authorized and issued the series of bonds to be designated as "Revenue Bonds, Series 2013" (the "Series 2013 Bonds") pursuant to Resolution No. _____ of the SFMTA, adopted on _____, 2013 (the "SFMTA Board Resolution") and the City Board has approved the Series 2013 Bonds pursuant to Resolution No. _____, adopted on _____, 2013 and signed by Mayor Edwin M. Lee on _____, 2013 (the "City Resolution"); and

WHEREAS, the SFMTA has entered into an Indenture of Trust, dated as of July 1, 2012 (the "Master Indenture"), by and between the SFMTA and the Trustee, which provides for the security and issuance of one or more series of transportation revenue bonds (the "Bonds"); and

WHEREAS, the SFMTA entered into a First Supplement to Indenture of Trust dated as of July 1, 2012 ("First Supplemental Indenture") in order to provide for the terms of the \$37,960,000 Revenue Bonds, Series 2012A and the \$25,835,000 Revenue Bonds, Series 2012B (collectively, the "Series 2012 Bonds"); and

WHEREAS, the SFMTA is entering into this Second Supplemental Indenture in order to provide for the terms of the Series 2013 Bonds which will be issued under and in accordance with the Charter and the Act and pursuant to the terms and conditions set forth in the Master Indenture and herein, and for the purpose of financing the Series 2013 Projects.

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH that in order to secure the payment of the Principal Amount of, premium, if any, and the interest on the Series 2013 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 2013 Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the SFMTA does hereby agree and covenant with the Trustee for the benefit of the respective Owners, from time to time, of the Series 2013 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 Master Indenture and First Supplemental 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 Wire Instructions” shall mean the closing wire instructions prepared by _____ on behalf of the SFMTA.

“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.

“First Supplemental Indenture” shall mean the First Supplement to Indenture of Trust, dated as of July 1, 2012, by and between the SFMTA and the Trustee.

“Master Indenture” shall mean the Indenture of Trust, dated as of July 1, 2012, by and between the SFMTA and the Trustee.

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

“Second Supplemental Indenture” shall mean this Second Supplement to Indenture of Trust, dated as of [Dated Date], 2013, by and between the SFMTA and the Trustee.

“Series 2013 Bonds” shall mean the San Francisco Municipal Transportation Agency Revenue Bonds, Series 2013.

“Series 2013 Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate executed by an Authorized SFMTA Representative, dated the closing date of the Series 2013 Bonds, as originally executed and as each may be amended from time to time.

“Series 2013 Debt Service Account” shall mean the account within the Debt Service Fund created pursuant to Section 3.02 hereof.

“Series 2013 Delivery Costs Account” shall mean the fund by that name established pursuant to Section 2.05(a) hereof.

“Series 2013 Interest Payment Date” shall mean March 1 and September 1 of each year, commencing September 1, 2013.

“Series 2013 Payment Date” shall mean each Series 2013 Interest Payment Date and Series 2013 Principal Payment Date.

“Series 2013 Principal Payment Date” shall mean March 1 of each year, commencing March 1, 2014.

“Series 2013 Projects” shall mean the _____.

“Series 2013 Project Costs Account” shall mean that certain fund established pursuant to Section 2.05(b) hereof.

“Series 2013 Record Date” shall mean the close of business on the fifteenth day of the month preceding each Series 2013 Interest Payment Date, whether or not such fifteenth day is a Business Day.

“Series 2013 Reserve Account” shall mean the Series 2013 Reserve Account in the Reserve Fund established pursuant to Section 3.03 hereof.

“Series 2013 Reserve Requirement” shall mean, as of any date of calculation, the least of (i) an amount equal to Maximum Annual Debt Service with respect to the Series 2013 Bonds, (ii) 125% of average annual debt service on the Series 2013 Bonds, or (iii) 10% of the Outstanding Principal Amount of Series 2013 Bonds. A future Series of Bonds may be designated in a Supplemental Indenture to benefit from and participate in the Series 2013 Reserve Account. In such event, the foregoing definition shall be applicable to such Series of Bonds but shall be revised in such Supplemental Indenture to take into account such Series of Bonds and the requirements of the Code.

ARTICLE II

TERMS OF SERIES 2013 BONDS

Section 2.01. Authorization and Purpose of Series 2013 Bonds. The SFMTA hereby authorizes the issuance of the Series 2013 Bonds for the purpose of providing moneys to finance the Series 2013 Projects. The parties hereto hereby acknowledge and agree that the Series 2013 Bonds constitute “Bonds” as defined in the Master Indenture and that the Series 2013 Bonds are secured on a parity with the Series 2012 Bonds and any additional Series of Bonds which may hereafter be issued under the Indenture.

Section 2.02. Terms of the Series 2013 Bonds. (a) General. The Series 2013 Bonds authorized to be issued by the SFMTA under and subject to the terms of the Indenture and the Act shall be designated as the “San Francisco Municipal Transportation Agency Revenue Bonds, Series 2013.” The Series 2013 Bonds shall be issued in the aggregate principal amount of _____ Dollars (\$_____). The Series 2013 Bonds shall be dated [Dated Date], 2013, shall bear interest at the rates set forth herein (calculated on the basis of a 360 day year comprised of twelve 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 2013 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 2013 Bonds. The Series 2013 Bonds shall bear interest at the rates per annum, payable on each Series 2013 Interest Payment Date, and be payable as to principal on each Series 2013 Principal Payment Date in each of the years and in the amounts indicated as follows:

Series 2013 Bonds

Year (March 1)	Principal \$	Interest Rate %
-------------------	-----------------	--------------------

(c) Payment of Series 2013 Bonds. The Series 2013 Bonds shall bear interest from the Series 2013 Interest Payment Date immediately preceding the date of authentication thereof unless (i) the date of authentication thereof is prior to the first regular Series 2013 Record Date in which event from the dated date of such Series 2013 Bond, or (ii) the date of authentication thereof is a Series 2013 Interest Payment Date, in which event from that Series 2013 Interest Payment Date, or (iii) the date of authentication thereof is after a regular Series 2013 Record Date but before the following Series 2013 Interest Payment Date, in which event it shall bear interest from such Series 2013 Interest Payment Date.

Payment of interest on the Series 2013 Bonds which are not book-entry bonds shall be paid by check or draft mailed by the Trustee on the Series 2013 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 2013 Record Date with respect to such Series 2013 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 2013 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 2013 Record Date. Any such written notice shall remain in effect until terminated or changed by subsequent written notice of the Holder. The payment of interest and principal on book-entry bonds shall be made as provided in Section 2.06 hereof and the Representation Letter.

Interest shall be paid notwithstanding the cancellation of any Series 2013 Bonds upon any exchange or registration of transfer thereof subsequent to the Series 2013 Record Date and prior to such Series 2013 Interest Payment Date.

For Series 2013 Bonds that are not book-entry bonds, the Principal Amount of and redemption premiums, if any, on the Series 2013 Bonds and payments of interest due at maturity or earlier redemption of the Series 2013 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 2013 Bonds shall be paid in lawful money of the United States of America.

(d) Limitations on Transfer and Exchange of Series 2013 Bonds. The SFMTA and the Trustee shall not be required to issue, register the transfer of, or exchange (i) any Series 2013 Bond during the period beginning on the fifteenth day of the month preceding each Series 2013 Interest Payment Date and ending on such Series 2013 Interest Payment Date, during the fifteen (15) days preceding the selection of Series 2013 Bonds for redemption, on any date on which notice of redemption is scheduled to be mailed, on any redemption date, or (ii) any Series 2013 Bond selected for redemption.

(e) Redemption of the Series 2013 Bonds. The Series 2013 Bonds scheduled to mature on or before _____ are not subject to optional redemption prior to maturity. The Series 2013 Bonds maturing on or after _____ shall be subject to redemption at the option of the SFMTA, as a whole or in part among such maturities (and by lot within any one maturity) as designated by an Authorized SFMTA Representative prior to their respective maturity dates, on any date on or after _____, from funds derived by the SFMTA from any legally available source, at redemption prices (expressed as a percentage of the principal amount of the Series 2013 Bonds called for redemption) together with interest accrued thereon to the date of redemption.

If some but not all of the Series 2013 Bonds have been redeemed pursuant to this Section 2.02(f), the total amount of all sinking account payments shall be reduced by the aggregate principal amount of Series 2013 Bonds so redeemed to be allocated among such Sinking Account payments as determined by SFMTA (notice of which determination shall be given by SFMTA to the Trustee).

(f) Mandatory Sinking Fund Payments for Series 2013 Bonds. (i) The Series 2013 Bonds maturing on _____, ____ (the "Series 2013 ____ Term Bonds") shall also be subject to mandatory redemption in part by lot prior to their maturity date, on _____, commencing _____ solely from money which has been deposited into the Series 2013 Principal Account in amounts and upon the dates hereby established for such Series 2013 ____ Term Bonds, as follows:

Series 2013 ____ Term Bonds Maturing on _____				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%;">Year (March 1)</td> <td style="text-align: center; width: 50%;">Mandatory Sinking Fund Payments</td> </tr> <tr> <td></td> <td style="text-align: center;">\$</td> </tr> </table>	Year (March 1)	Mandatory Sinking Fund Payments		\$
Year (March 1)	Mandatory Sinking Fund Payments			
	\$			

*

*Maturity

Section 2.03. Forms of Series 2013 Bonds. The Series 2013 Bonds and the forms of authentication and registration endorsement and the assignment to appear thereon shall be substantially in the forms attached hereto as Exhibit A, with necessary or appropriate variations, omission and insertions as permitted or required by the Indenture.

Section 2.04. Application of Proceeds of Sale of the Series 2013 Bonds

(a) Upon receipt of payment of the purchase price for the Series 2013 Bonds in the amount of \$_____ (representing \$_____ principal amount, [plus net original issue premium in the amount of \$_____] and less an Underwriter's discount in the amount of \$_____) from the original purchasers thereof the Trustee shall set aside and deposit such amount as follows:

(1) The Trustee shall deposit in the Series 2013 Project Costs Account the sum equal to \$_____;

(2) The Trustee shall deposit in the Series 2013 Reserve Account the sum equal to \$_____, which equals the Series 2013 Reserve Requirement; and

(3) The Trustee shall deposit in the Series 2013 Delivery Costs Account established pursuant to Section 2.05(a) hereof such moneys be used to pay Delivery Costs with respect to the Series 2013 Bonds as directed by a certificate of an Authorized SFMTA Representative.

Section 2.05. Establishment of Series 2013 Delivery Costs Account, and Series 2013 Project Costs Account

(a) Series 2013 Delivery Costs Account. The Trustee shall establish a Series 2013 Delivery Costs Account for the deposit and retention of a portion of the Series 2013 Bond proceeds held pending disbursement thereof. The Trustee shall disburse amounts in the Series 2013 Delivery Costs Account upon receipt from an Authorized SFMTA 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 2013 Bonds or receipt by the Trustee of a certificate of Authorized SFMTA Representative that all Delivery Costs with respect to Series 2013 Bonds have been paid, the Trustee shall transfer remaining amounts in the Series 2013 Delivery Costs Account to the Series 2013 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 2013 Delivery Costs Account in reliance upon a requisition of Authorized SFMTA 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.

(b) Series 2013 Project Costs Account. The SFMTA shall establish and hold the Series 2013 Project Costs Account for the deposit and retention of a portion of the Series 2013 Bond proceeds held pending disbursement thereof. The SFMTA shall disburse amounts in the Series 2013 Project Costs Account for costs of the Series 2013 Projects as provided in the Tax Certificate for the Series 2013 Bonds and shall retain records reflecting the date and use of each disbursement. Amounts on deposit in the Series 2013 Project Costs Account may be used for Delivery Costs plus Project Costs and upon completion of the Series 2013 Project any remaining amounts may be transferred for such purposes as comply with applicable law and the Tax Certificate. Earnings on the Series 2013 Project Costs Account may be transferred by the SFMTA to the Series 2013 Debt Service Account.

Section 2.06. Book-Entry Provisions.

(a) Original Delivery. The SFMTA may provide prior to the date of delivery of the Series 2013 Bonds, that the Series 2013 Bonds may be initially delivered in book-entry form pursuant to this Section 2.06.

The Series 2013 Bonds initially delivered in book-entry form shall be initially delivered in the form of a separate single fully registered Series 2013 Bond without coupons (which may be typewritten) for each maturity of the Series 2013 Bonds. Upon initial delivery, the ownership of each such Series 2013 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 2013 Bonds shall be registered in the name of the Nominee on the registration books of the Registrar.

With respect to Series 2013 Bonds the ownership of which shall be registered in the name of the Nominee, the SFMTA and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on

behalf of which the SFMTA holds an interest in the Series 2013 Bonds. Without limiting the generality of the immediately preceding sentence, the SFMTA 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 2013 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2013 Bondholder as shown in the Registration Books, of any notice with respect to the Series 2013 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2013 Bonds to be redeemed in the event the SFMTA elects to redeem the Series 2013 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2013 Bondholder as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2013 Bonds or (v) any consent given or other action taken by the Depository as Holder of the Series 2013 Bonds. The SFMTA and the Trustee may treat and consider the person in whose name each Series 2013 Bond is registered as the absolute owner of such Series 2013 Bond for the purpose of payment of principal, premium and interest on such Series 2013 Bond, for the purpose of giving notices of prepayment and other matters with respect to such Series 2013 Bond, for the purpose of registering transfers of ownership of such Series 2013 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Series 2013 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 2013 Bonds to the extent of the sum or sums so paid. No person other than a Series 2013 Bondholder shall receive a Series 2013 Bond evidencing the obligation of the SFMTA 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 SFMTA shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2013 Bonds for the Depository's book-entry system, the SFMTA and the Trustee shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2013 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 SFMTA or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2013 Bonds other than the Series 2013 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 SFMTA may take any other actions, not inconsistent with this Indenture, to qualify the Series 2013 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 2013 Bonds, or (ii) the SFMTA determines to terminate the Depository as such, then the

SFMTA shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the SFMTA and the Trustee in the issuance of replacement Series 2013 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2013 Bonds, and by surrendering the Series 2013 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2013 Bonds are to be issued. The Depository, by accepting delivery of the Series 2013 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the SFMTA fails to identify another Securities Depository to replace the Depository, then the Series 2013 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 2013 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 2013 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 2013 Bond and all notices with respect to such Series 2013 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 2013 INTEREST AND PRINCIPAL ACCOUNTS; SERIES 2013 RESERVE ACCOUNT; SERIES 2013 REBATE FUND

Section 3.01. Series 2013 Interest and Principal Accounts. The SFMTA shall transfer Pledged Revenues 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 account is created in the Debt Service Fund held by the Trustee with respect to the Series 2013 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 2013 Bonds or otherwise, the deposits below need not be made.

Section 3.02. Series 2013 Debt Service Account. On or before the Business Day prior to each Series 2013 Payment Date, the Trustee shall transfer from the Debt Service Fund to the Series 2013 Debt Service Account within the Debt Service Fund (which account is hereby created), the interest and Principal Amount to become due on such Series 2013 Bonds on such Series 2013 Payment Date; provided that the SFMTA need not transfer any moneys at such time as the balance in said Series 2013 Debt Service Account shall be equal to the aggregate amount of interest and Principal Amount becoming due and payable on the then Outstanding Series 2013 Bonds on such Series 2013 Payment Date. The obligation to make the foregoing transfers shall be on a parity with the obligation to fund the Series 2012A Debt Service Account, the Series 2012B Debt Service Account, and any debt service 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 3.03. Series 2013 Reserve Account. (a) The Series 2013 Reserve Account in the Reserve Fund is hereby established with the Trustee. The Reserve Requirement for the Series 2013 Bonds shall be the Series 2013 Reserve Requirement. The Series 2013 Reserve Account shall benefit only the Series 2013 Bonds and any additional Series of Bonds to the extent so designated in a Supplemental Indenture. The amounts on deposit in the Series 2013 Reserve Account shall secure on a parity basis the Series 2013 Bonds and any additional Series of Bonds so designated in a Supplemental Indenture. In the event an additional Series of Bonds is designated in a Supplemental Indenture to benefit from the Series 2013 Reserve Account, the definition of Series 2013 Reserve Requirement shall be applicable to such Series of Bonds but shall be revised in such Supplemental Indenture to take into account such Series of Bonds and the requirements of the Code.

(b) If on any Series 2013 Payment Date the amount on deposit in the Debt Service Fund is not sufficient to pay interest on and principal to become due on the Series 2013 Bonds on such Series 2013 Payment Date (or any Series of Bonds designated in a Supplemental Indenture on its Payment Dates), then the Trustee shall withdraw the amount of any such deficiency from the Series 2013 Reserve Account and deposit such amount in the Debt Service Fund.

(c) All money on deposit in the Series 2013 Reserve Account in excess of the Series 2013 Reserve Requirement shall be transferred to the SFMTA or to such account as an Authorized SFMTA Representative may designate; and for this purpose all investments in the Series 2013 Reserve Account shall be valued monthly, at the lower of purchase price or the current market value of such investments (inclusive of accrued interest).

(d) The Trustee shall deposit moneys received from the SFMTA pursuant to Section 5.05(b) of the Master Indenture in the Series 2013 Reserve Account, in an amount equal to that sum, if any, necessary to restore the Series 2013 Reserve Account to an amount equal to the Series 2013 Reserve Requirement. The obligation to make the foregoing transfers to the Series 2013 Reserve Account shall be on a parity with the obligation to make transfers to the Series 2012 Reserve Account without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference. If provided for in a Supplemental Indenture, the obligation to make the foregoing transfers shall also be on a parity with the obligation to fund any separate reserve accounts within the Reserve Fund 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 3.04. 2013 Rebate Fund.

(a) General. The Trustee shall establish a special fund designated the "Series 2013 Bonds Rebate Fund" (the "2013 Rebate Fund"). All amounts at any time on

deposit in the 2013 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 2013 Bonds, pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). The SFMTA has previously established the Rebate Fund for the Series 2012 Bonds and 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 2013 Rebate Fund shall be free and clear of any lien under the Indenture and shall be governed by this Section 3.04 and Section 6.07 of the Master Indenture and by the Tax Certificate relating to the Series 2013 Bonds. The Trustee shall be deemed conclusively to have complied with the Rebate Requirement if it follows the directions of an Authorized SFMTA Representative, and shall have no independent responsibility to, or liability resulting from its failure to, enforce compliance by the SFMTA 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 SFMTA shall calculate or cause to be calculated with respect to the Series 2013 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 written direction of an Authorized SFMTA Representative, the Trustee shall deposit to the 2013 Rebate Fund from deposits from the SFMTA, if and to the extent required, amounts sufficient to cause the balance in the 2013 Rebate Fund to be equal to the “rebate amount” so calculated.

(ii) The Trustee shall not be required to deposit any amount to the 2013 Rebate Fund in accordance with the preceding sentence if the amount on deposit in the 2013 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 2013 Rebate Fund to the extent permitted under subsection (g) of this Section 3.04.

(iii) The SFMTA shall not be required to calculate the “rebate amount,” and the Trustee shall not be required to make deposit of any amount to the 2013 Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Series 2013 Bonds (including amounts treated as proceeds of the Series 2013 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 SFMTA 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, an Authorized SFMTA Representative shall provide written direction to the Trustee that the Trustee shall not be required to deposit any amount to the 2013 Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Bonds. Any funds remaining in the 2013 Rebate Fund after payment of all the Series 2013 Bonds and any amounts described in paragraph (2) of subsection (d) of this Section 3.04, 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 SFMTA.

(d) Withdrawal for Payment of Rebate. Upon the an Authorized SFMTA Representative’s written direction, but subject to the exceptions contained in subsection (b) of this Section 3.04 to the requirement to calculate the “rebate amount” and make deposits to the 2013 Rebate Fund, the Trustee shall pay to the United States, from amounts on deposit in the 2013 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 2013 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 3.04 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 an Authorized SFMTA Representative and provided to the Trustee.

(f) Deficiencies in the 2013 Rebate Fund. In the event that, prior to the time any payment is required to be made from the 2013 Rebate Fund, the amount in the 2013 Rebate Fund is not sufficient to make such payment when such payment is due, an Authorized SFMTA Representative shall calculate the amount of such deficiency and direct the Trustee to deposit an amount received from the SFMTA equal to such deficiency into the 2013 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 3.04, but prior to any deposit made under said subsection, the amount on deposit in the 2013 Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection (b), upon written instructions from an Authorized SFMTA Representative, the Trustee shall withdraw the excess from the 2013 Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Keeping. The SFMTA shall retain records of all determinations made hereunder until six years after the complete retirement of the Series 2013 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 2013 Bonds.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Continuing Disclosure. The SFMTA hereby covenants and agrees that it will comply with the provisions of the Series 2013 Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the SFMTA to comply with the Series 2013 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 2013 Continuing Disclosure Certificate) or the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Outstanding Series 2013 Bonds, shall) after receiving indemnification to its satisfaction, or any holder or Beneficial Owner (as defined in the Series 2013 Continuing Disclosure Certificate), may take such actions as may be necessary and appropriate to cause the SFMTA to comply with the provisions of the Series 2013 Continuing Disclosure Certificate.

Section 4.02. Effective Date of Second Supplemental Indenture. This Second Supplemental Indenture shall take effect upon its execution and delivery.

Section 4.03. Indenture to Remain in Effect. The Master Indenture as amended by the First Supplemental Indenture and this Second Supplemental Indenture shall remain in full force and effect.

Section 4.04. Execution in Counterparts. This Second 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.

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY

Edward D. Reiskin
Director of Transportation

ATTEST:

Secretary to the Board of Directors

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

Authorized Officer

APPROVED AS TO FORM BY:
DENNIS J. HERRERA,
CITY ATTORNEY

By: _____
Deputy City Attorney

(FORM OF SERIES 2013 BOND)

No. _____ \$ _____

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
REVENUE BONDS
SERIES 2013**

Interest Rate	Maturity Date	Dated Date	Cusip
	March 1, 20__	[Dated Date], 2013	

PRINCIPAL AMOUNT:**REGISTERED OWNER: CEDE & CO.**

The SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (hereinafter sometimes called the "SFMTA"), 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 March 1 and September 1 of each year commencing on September 1, 2013 (each, a "Series 2013 Interest Payment Date") by check or draft mailed by the Trustee hereinafter referred to on the Series 2013 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 2013 Interest Payment Date (the "Series 2013 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 2013 Record Date, interest on such Principal Amount from the Series 2013 Interest Payment Date immediately preceding the date of authentication hereof (unless (i) the date of authentication hereof is prior to the first regular Series 2013 Record Date in which event from the dated date specified above, or (ii) the date of authentication hereof is a Series 2013 Interest Payment Date, in which event from that Series 2013 Interest Payment Date, or (iii) the date of authentication hereof is after a regular Series 2013 Record Date but before the following Series 2013 Interest Payment Date, in which event it shall bear interest from such Series 2013 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 2013 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 2013 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 2013 Bonds and payments of interest due at maturity or earlier redemption of the Series 2013 Bonds, shall be payable upon the surrender thereof at the corporate trust office (the "Corporate Trust Office") of The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), in San Francisco, California. 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). Series 2013 Bonds that are book-entry bonds will be governed by the book-entry provisions of the Indenture and the Representation Letter.

The Bonds (as defined under the Indenture) are special, limited obligations of the SFMTA payable solely from Pledged Revenues of the SFMTA and from moneys held in certain funds and accounts established pursuant to the Indenture. The SFMTA is not obligated to pay the principal of, premium, if any, or interest on the Bonds from any source of funds other than Pledged Revenues. The General Fund of the City is not liable for the payment of the principal of, premium, if any, or interest on the Bonds, and neither the credit nor the taxing power of the City is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien, or encumbrance upon, any of the property of the City or of the SFMTA or any of its income or receipts, except Pledged Revenues, as provided by the Indenture.

This Bond is one of a duly authorized issue of Bonds of the SFMTA designated "San Francisco Municipal Transportation Agency Revenue Bonds, Series 2013" (herein called the "Series 2013 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 2013 Bonds are authorized by and issued pursuant to certain resolutions duly adopted by the City and the SFMTA and under the Indenture of Trust, dated as of July 1, 2012, as amended by the First Supplement to Indenture of Trust, dated as of July 1, 2012 and Second Supplement to Indenture of Trust dated as of [Dated date], 2013 (together, the "Indenture"), each by and between the SFMTA and the Trustee, a copy of which is on file with the Secretary of the SFMTA and the Trustee. This Bond will be secured on a parity with the Series 2012 Bonds (as defined in the Indenture) and any other Outstanding Bonds hereafter issued in accordance with the Indenture, including the other Series of Bonds.

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 SFMTA 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 2013 Bonds shall be 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 2013 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 2013 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 SFMTA and the Trustee shall not be required to issue, register the transfer of, or exchange (i) any Series 2013 Bond during the period beginning on the fifteenth day of the month preceding each Series 2013 Interest Payment Date and ending on such Series 2013 Interest Payment Date, during the fifteen (15) days preceding the selection of Series 2013 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 2013 Bond selected for redemption.

The SFMTA and the Trustee may treat the Owner hereof as the absolute Owner hereof for all purposes, and the SFMTA 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 SFMTA 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 is within every debt and other limit prescribed by the Constitution and statutes of the State of California and said Charter.

IN WITNESS WHEREOF, the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY has caused this Bond to be signed on its behalf by the signature of its Director of Transportation, all as of the Dated Date set forth above.

By: _____
Director of Transportation

(FORM OF CERTIFICATE OF AUTHENTICATION OF BONDS)

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

Date of Authentication: _____, 2013

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., 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.