SUPPLEMENT TO OFFICIAL STATEMENT
DATED JANUARY 25, 2021

relating to

$182,010,000
PORT OF OAKLAND, CALIFORNIA
INTERMEDIATE LIEN REFUNDING REVENUE BONDS
2021 SERIES H (AMT)

This Supplement to Official Statement dated January 25, 2021 supplements and amends certain information contained in the Official Statement dated November 19, 2020 (the "Original Official Statement") prepared with respect to the above-captioned bonds (the "2021 Series H Intermediate Lien Bonds"). All capitalized terms used but not defined herein shall have the meanings given in the Original Official Statement.

As described under the caption "CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS" in the Original Official Statement, the 2021 Series H Intermediate Lien Bonds were sold to the Underwriters pursuant to the Forward Delivery Purchase Contract, which was executed on November 19, 2020. The Port agreed in the Forward Delivery Purchase Contract to deliver an Updated Official Statement (as defined herein) not more than twenty-five nor less than five days prior to the settlement date of the 2021 Series H Intermediate Lien Bonds, which Updated Official Statement would contain any material updates or changes to the information contained in the Original Official Statement. This Supplement to Official Statement dated January 25, 2021, together with the Original Official Statement, constitutes the "Updated Official Statement."

Recent Developments

Updated Operational Data. The Original Official Statement includes, in various places, certain monthly operational data related to the Airport and the Seaport for the nine-month period from January through September 2020, including comparisons to the corresponding monthly data from January through September 2019. The information in Tables 1, 2, and 3, contained on pages 3 and 4 of the Original Official Statement, is hereby replaced as set forth below to reflect the eleven-month period from January through November 2019 and 2020. In addition, certain TEU numbers in Table 3 set forth below have been revised to reflect minor adjustments resulting from the results of a routine internal audit.

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TABLE 1
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
MONTHLY COMPARISON OF ENPLANED PASSENGERS
JANUARY TO NOVEMBER 2019 AND 2020

Month	2019 Enplanements	2020 Enplanements	% Change
January	462,483	442,919	(4.2)
February	441,598	424,367	(3.9)
March	552,933	217,742	(60.6)
April	562,422	22,489	(96.0)
May	605,520	53,479	(91.2)
June	619,656	129,960	(79.0)
July	614,020	172,085	(72.0)
August	590,892	155,488	(73.7)
September	559,520	161,413	(71.2)
October	562,955	184,217	(67.3)
November	537,761	175,493	(67.4)
Cumulative January - November	6,109,760	2,139,652	(65.0)

TABLE 2
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
MONTHLY COMPARISON OF AVIATION CARGO VOLUMES (in 1,000 lbs)
JANUARY TO NOVEMBER 2019 AND 2020

Month	2019 Cargo Volume	2020 Cargo Volume	% Change
January	108,298	93,607	(13.5)
February	93,993	87,765	(6.6)
March	109,660	97,799	(10.8)
April	106,796	97,586	(8.6)
May	112,123	102,916	(8.2)
June	102,894	106,156	3.2
July	105,295	110,556	5.0
August	107,841	104,110	(3.5)
September	98,265	109,408	11.3
October	112,491	116,782	3.8
November	94,483	115,474	22.2
Cumulative January - November	1,152,139	1,142,159	(0.9)

TABLE 3
PORT OF OAKLAND
MARITIME DIVISION
MONTHLY COMPARISON OF CONTAINERIZED CARGO
JANUARY TO NOVEMBER 2019 AND 2020

Month	2019 Total TEUs	2020 Total TEUs	% Change
January	212,493	211,251	(0.6)
February	185,685	180,225	(2.9)
March	213,972	190,188	(11.1)
April	216,003	201,918	(6.5)
May	223,101	185,595	(16.8)
June	203,730	199,011	(2.3)
July	218,191	219,080	0.4
August	224,537	225,489	0.4
September	206,544	225,807	9.3
October	204,880	216,684	5.8
November	197,360	197,692	0.2
Cumulative January – November	2,306,496	2,252,940	(2.3)

Updated Financial Data. The Original Official Statement includes, as Table 25 on page 79 under the caption "PORT FINANCES—Historical Operating Results," unaudited two months year-to-date financial results for Fiscal Year 2021, as well as, for comparison purposes, unaudited two months year-to-date financial results for Fiscal Year 2020. The information in such Table 25 is hereby replaced with the following table to reflect unaudited four months year-to-date financial results for Fiscal Year 2021, as well as, for comparison purposes, unaudited four months year-to-date financial results for Fiscal Year 2020.

TABLE 25
PORT OF OAKLAND
UNAUDITED FOUR MONTHS FINANCIALS FOR FISCAL YEAR 2020 AND FOR FISCAL YEAR 2021, AUDITED FINANCIALS FOR FISCAL YEAR 2020 AND ADOPTED BUDGET FOR FISCAL YEAR 2021
($000s)

	Unaudited 4 Months ending 10/31/2019(1)	Unaudited 4 Months ending 10/31/2020(1)	Audited Fiscal Year 2020(2)	Budget Fiscal Year 2021(3)
Operating Revenues				
Aviation	$72,207	$46,893	$186,589	$156,952
Maritime	62,405	61,665	172,740	167,276
Commercial Real Estate	6,429	4,749	16,586	15,747
	141,041	113,307	375,915	339,975
Operating Expenses excl. Depreciation				
Aviation	(33,435)	(27,791)	(108,391)	(101,696)
Maritime	(8,115)	(9,187)	(13,676)	(32,007)
Commercial Real Estate	(2,294)	(1,955)	(7,028)	(7,756)
Engineering & Environmental			(40,421)	--
Utilities Cost of Sales	(2,238)	(3,047)	(7,251)	(8,184)
Executive Office	(2,154)	(1,680)	(6,363)	(5,832)
Board of Port Commissioners	(179)	(159)	(595)	(568)
Office of Audit Services	(518)	(486)	(1,732)	(1,727)
Port Attorney's Office	(1,418)	(1,177)	(4,816)	(5,156)
Chief Operating Officer	(8,216)	(11,226)	(220)	(36,649)
Finance & Administration	(5,446)	(5,160)	(20,947)	(17,070)
Non-Departmental Expenses	(7,659)	(6,127)	(15,378)	(23,255)
Absorption of Labor & Overhead to Capital Assets(4)	1,606	2,083	5,439	4,978
	(70,066)	(65,912)	(221,379)	(234,922)
Depreciation	(38,116)	(37,439)	(113,983)	(125,179)
Operating Expenses	(108,182)	(103,351)	(335,362)	(360,101)
Operating Income (A)	32,859	9,956	40,553	(20,125)
Non-Operating Revenues (Expenses)				
Interest Income	1,678	1,082	11,013	4,800
Interest Expense	(11,887)	(10,983)	(34,162)	(33,052)
Customer Facility Charges	1,808	704	3,890	2,311
Customer Facility Charges Expenses	(1,639)	(1,202)	(4,741)	(2,311)
Passenger Facility Charges	8,364	1,566	16,285	11,942
Gain (Loss) on Sale (Disposal) of Capital Assets	--	(204)	(2,616)	(4,825)
Other Income (Expenses)	(1,677)	5,985	8,632	18,545
Total Non-Operating Income (Expenses) (B)	(3,353)	(3,052)	(1,699)	(2,591)
Capital Contributions				
Grants from Government Agencies **(C)**	724	1,957	7,377	17,470
Change in Net Position (A+B+C)	$30,230	$8,861	$46,231	$ (5,246)

(1) Results for the first four months are derived from unaudited financial information and are subject to year-end adjustments, including allocation of expenses to the Aviation, Maritime and Commercial Real Estate Divisions and GASB 68 adjustments related to pension accruals, and may not be indicative of results for the full Fiscal Year due to seasonality and other factors.
(2) See APPENDIX A for Port of Oakland Audited Basic Financial Statement for the Fiscal Years Ended June 30, 2020 and June 30, 2019.
(3) Budget numbers are based on the Port's expectations at the time the budget was adopted and may not be indicative of actual results.
(4) Labor and overhead costs that are capitalized.

In addition, the information in the Original Official Statement on page 80 under the caption "PORT FINANCES—Management Discussion and Analysis—Two Months Ended August 31, 2020 Compared to Two Months Ended August 31, 2019 (Unaudited)" is here by deleted in its entirety and replaced with the following:

> ***Four Months Ended October 31, 2020 Compared to Four Months Ended October 31, 2019 (Unaudited).*** For the four months ended October 31, 2020, the Port's operating revenues of $113.3 million were $0.5 million, or 0.4% higher than budgeted for such period, and $27.7 million, or 19.7%, lower than operating revenues of $141.0 million for the four months ended October 31, 2019. The year-over-year operating revenue decrease was driven primarily by decreases in passenger-dependent revenue sources due to the COVID-19 pandemic, including decreases in baggage, Airport concession, rental car and parking revenues, aviation fueling and miscellaneous/other terminal revenues. Partially offsetting the declines in these aviation revenues were increases in terminal rent and other airport lease rentals. Aviation operating revenues were down $2.0 million or 4.0%, from the amounts budgeted for such period, and down $25.3 million or 35.1%, from the four months ended October 31, 2019. Maritime operating revenues were up $2.6 million or 4.4% from the amounts budgeted for such period and were down $0.7 million or 1.2% in comparison to the same time period for the previous fiscal year.
>
> Operating expenses before depreciation for the four months ended October 31, 2020 of $65.9 million, were $9.3 million or 12.3% lower than budgeted for such period and $4.2 million or 5.9% lower than the same time period for the previous fiscal year. The decrease in operating expenses was driven primarily by decreases in personnel expenses and contractual services. Operating expenses including depreciation was 11.5% lower than budgeted for such period and $4.8 million or 4.5% lower than the same time period for the previous fiscal year.
>
> The unaudited four months year-to-date financial results are not necessarily indicative of full-Fiscal Year-end financial results, and no assurances can be provided that full-Fiscal Year 2021 financial results will meet the adopted Fiscal Year 2021 budget. Port operating revenues and operating expenses are subject to seasonality and other variances, as well as unanticipated events, and cannot be annualized. Fiscal Year 2021 budget numbers are based on the Port's expectations at the time the budget was adopted and may not be indicative of actual results.

<u>2020 Series R Senior Lien Bonds and Amendment to the Senior Lien Indenture</u>. The Original Official Statement states, in various places, that, concurrently with the marketing of the 2021 Series H Intermediate Lien Bonds, the Board also marketed the 2020 Series R Senior Lien Bonds for the purpose of refunding and defeasing the Refunded Series P Bonds and repaying all of the Port's Outstanding DBW Loan. The 2020 Series R Senior Lien Bonds were issued, pursuant to the Sixteenth Supplemental Senior Lien Trust Indenture, on December 3, 2020, and on such date the Refunded Series P Bonds were defeased and the Port's Outstanding DBW Loan was repaid in full.

Multiple places in the Original Official Statement also provide that the Sixteenth Supplemental Senior Lien Trust Indenture was expected to effectuate certain amendments to the Senior Lien Indenture, including (without limitation) amendments to the provisions of the Senior Lien Indenture governing the calculation of debt service coverage thereunder. All such amendments to the Senior Lien Indenture described in the Original Official Statement were made pursuant to the Sixteenth Supplemental Indenture, and such amendments became effective as of December 3, 2020.

Prospective Bond Insurance. The Original Official Statement, on both its cover and on page 31 thereof, provides that the scheduled payment of principal and interest on all or a portion of the 2021 Series H Intermediate Lien Bonds may be guaranteed under a financial guaranty insurance policy. The Port has elected not to obtain a financial guaranty insurance policy with respect to the 2021 Series H Intermediate Lien Bonds.

Contract Extensions. The first sentence of the first full paragraph on page 40 of the Original Official Statement, under the caption "THE PORT OF OAKLAND—Aviation—Airport Facilities—Parking Facilities," states that parking facilities at the Airport are currently operated by LAZ Parking Oakland Airport, LLC ("LAZ") pursuant to a management contract that expires on January 31, 2021, with two 1-year extension options at the Port's sole discretion. After the date of the Original Official Statement, the Port has exercised the first of these options, extending the date of such contract to January 31, 2022.

In addition, page 108 of the Original Official Statement, under the caption "CAPITAL PLANNING AND CAPITAL PROJECTS—Other Issues Affecting the Port's Capital Projects—Project Labor Agreements," provides that the Port and the Unions had executed a revised MAPLA that was scheduled to expire on January 31, 2021. After the date of the Original Official Statement, the Port and the Unions entered into an amendment to the MAPLA extending the term for an additional five years, through January 31, 2026.

Hawaii Operations. The last paragraph at the bottom of page 42 and the first paragraph at the top of page 43 of the Original Official Statement, under the caption "THE PORT OF OAKLAND—Aviation—Activity at the Airport—Passenger Service," are hereby deleted in their entirety and replaced with the following, to reflect the current status of Airport flight operations to Hawaii:

> "The Airport has served as a major west coast gateway to the Hawaiian Islands, and in mid-2019, flights to the Hawaiian Islands provided 8% of the Airport's enplanements. Southwest has operated two nonstops daily to Honolulu throughout the pandemic and the subsequent visitation restrictions and quarantine requirements by the State of Hawaii, in order to provide essential passenger and cargo service. Southwest reinstated flights from OAK to the three main Hawaiian Islands other than Oahu in December 2020, then suspended service to Lihue, Kauai again as Kauai opted out of the state of Hawaii's testing program and implemented mandatory quarantines. Hawaiian Airlines and Alaska Airlines suspended Hawaii operations from OAK and many other West Coast airports in March 2020. Hawaiian resumed service at OAK in November 2020.
>
> To welcome Hawaii-bound travelers, the Airport partnered with CityHealth Urgent Care to offer a COVID-19 rapid testing program. The tests are available at two separate sites located at the Airport and are designed to comply with the State of Hawaii's "Safe Travels Multi-Tier Program." The Airport is the first airport to be certified by the State of Hawaii as a certified Trusted Testing and Travel Partner. CityHealth is responsible for administering the tests and is also certified by the State of Hawaii as a Trusted Testing and Travel Partner."

COVID-19 Aviation Rent Relief and Federal Relief Legislation. The last two sentences of the first paragraph on page 52 of the Original Official Statement, under the caption "THE PORT OF OAKLAND—Aviation—Airport Operating Revenues—Impact of COVID-19 on Airport Revenues," are hereby deleted and replaced with the following:

> "As of January 14, 2021, approximately $14.9 million of the total amount deferred has been paid back, and less than $1 million remains to be repaid."

In addition, the following paragraph is added to page 52 of the Original Official Statement, as a new last paragraph under the caption "THE PORT OF OAKLAND—Aviation—Airport Operating Revenues—Impact of COVID-19 on Airport Revenues":

> "The Coronavirus Response and Relief Supplemental Appropriation Act ("CRRSAA") was signed into law by the President of the United States on December 27, 2020 and includes $2 billion in funds to be awarded to eligible U.S. airports and eligible airport concessions impacted by COVID-19. The Airport is expected to receive an allocable share of the $2 billion CRRSAA funds set aside for U.S. airports and airport concessions."

Dining Restrictions. The paragraph at the bottom of page 73 and the top of page 74 of the Original Official Statement, under the caption "THE PORT OF OAKLAND—Commercial Real Estate—Commercial Real Estate Revenues—Impact of COVID-19 on Commercial Real Estate," states that on-premise dining at restaurants was permitted starting June 19, 2020, though capacity restrictions on indoor dining continued to apply. After the date of the Original Official Statement, all on-premise dining in Alameda County was again prohibited and remains impermissible as of the date of this Updated Official Statement.

Investments. The second sentence in the third paragraph on page 84 of the Original Official Statement, under the caption "PORT FINANCES — Investments," is hereby deleted in its entirety and replaced with the following:

> "The current Investment Policy was adopted on June 16, 2020."

Other Maritime Investments. The last paragraph on page 105 and the top of page 106 of the Original Official Statement, under the caption "CAPITAL PLANNING AND CAPITAL PROJECTS—Projects in the CIP—Other Maritime Investments," is hereby deleted in its entirety and replaced with the following:

> "The Alameda County Transportation Commission ("Alameda CTC") and the Port are working together to design and implement the GoPort Program, which comprises (a) the Freight Intelligent Transportation System ("FITS") program and (b) a new, grade-separated 7th Street, known as the 7th Street Grade Separation Project ("GSP"). The whole Program is expected to cost about $650 million, of which about $330 million has been identified or secured from a combination of Measure BB Tax Measure, State/Local grants, and Port funds. FITS comprises a suite of demonstration projects intended to enhance truck flows on arterial streets in and out of the Seaport, and enhance security. The FITS is fully funded; construction has begun and is expected to be completed in late 2022. The 7th Street GSP is intended to reduce congestion, provide more efficient rail connections by eliminating certain at-grade conflicts, and enhance an existing pedestrian/bike path. The 7th Street GSP would be phased, with the 7th Street GSP East segment as the first priority; this segment is fully funded and construction is currently anticipated to begin in 2022. However, Union Pacific Railroad ("UP") recently filed a Complaint for Declaratory and Injunctive Relief ("Complaint") in Federal District Court against Alameda CTC and each of its individual commissioners acting in their official capacity. The Port was not named in the action. The Complaint alleges Alameda CTC's plan to acquire, by eminent domain,

part of UP's property both in the City of Oakland and a loading facility at the Port is preempted by federal law and unenforceable. The Complaint further alleges that the acquisition would interfere with UP's interstate operations in violation of the Constitution's Commerce Clause. This litigation could delay or prevent all or certain portions of the GoPort Program. Alameda CTC intends to seek other funding sources, including local, state and federal grants, to complete the design and construction of the West segment. The scope and schedule for this segment has not yet been finalized."

DAC Bond®

NEW ISSUE—BOOK-ENTRY ONLY

Ratings: See "RATINGS" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel to the Board, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021 Series H Intermediate Lien Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any 2021 Series H Intermediate Lien Bond for any period that such 2021 Series H Intermediate Lien Bond is held by a "substantial user" of the facilities financed or refinanced by the 2021 Series H Intermediate Lien Bond or by a "related person" within the meaning of Section 147(a) of the Code. Special Tax Counsel observes that interest on the 2021 Series H Intermediate Lien Bonds is a specific preference item for purposes of the federal alternative minimum tax. Special Tax Counsel is also of the opinion that interest on the 2021 Series H Intermediate Lien Bonds is exempt from State of California personal income taxes. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2021 Series H Intermediate Lien Bonds. See "TAX MATTERS." Delivery of the 2021 Series H Intermediate Lien Bonds, and delivery of Special Tax Counsel's opinion with respect to the 2021 Series H Intermediate Lien Bonds, is subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Contract as described under the heading "CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS."

PORT OF OAKLAND

$182,010,000
PORT OF OAKLAND, CALIFORNIA
INTERMEDIATE LIEN REFUNDING REVENUE BONDS
2021 SERIES H (AMT) (FORWARD DELIVERY)

Dated: Date of Delivery **Due: As shown on inside cover**

The Board of Port Commissioners of the City of Oakland (the "Board") is issuing its Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT) (the "2021 Series H Intermediate Lien Bonds"). The 2021 Series H Intermediate Lien Bonds are being issued for the following purposes: (i) to refund and defease a portion of the Port of Oakland's (the "Port") outstanding Refunding Revenue Bonds 2011 Series O (AMT) (the "2011 Series O Senior Lien Bonds," and such refunded and defeased portion, the "Refunded Series O Bonds"); (ii) to satisfy the Intermediate Lien Common Reserve Fund Requirement (as defined herein) with respect to the 2021 Series H Intermediate Lien Bonds; and (iii) to pay costs of issuing the 2021 Series H Intermediate Lien Bonds. See "REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

The 2021 Series H Intermediate Lien Bonds will be dated as of their date of delivery and will mature (subject to prior redemption) on the dates and in the principal amounts, and will bear interest at the rates, set forth on the inside cover page. The 2021 Series H Intermediate Lien Bonds will be issued as fully registered bonds in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the 2021 Series H Intermediate Lien Bonds may be made in book-entry form only in denominations of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the 2021 Series H Intermediate Lien Bonds purchased. Interest on the 2021 Series H Intermediate Lien Bonds will be payable on May 1, 2021 and semiannually on each November 1 and May 1 thereafter. The principal of and interest and premium, if any, on the 2021 Series H Intermediate Lien Bonds will be payable to DTC, which in turn will be required to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of the 2021 Series H Intermediate Lien Bonds, as more fully described in APPENDIX C.

The 2021 Series H Intermediate Lien Bonds are not subject to redemption prior to maturity.

The scheduled payment of principal of and interest on all or a portion of the 2021 Series H Intermediate Lien Bonds (the "Insured Bonds"), when due, may be guaranteed by a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds.

The 2021 Series H Intermediate Lien Bonds will be limited obligations of the Board payable solely from and secured by a pledge of Intermediate Lien Pledged Revenues (as defined herein), certain funds and accounts specified in the Intermediate Lien Indenture (defined herein) and earnings on each. The 2021 Series H Intermediate Lien Bonds are being issued pursuant to an Intermediate Lien Master Trust Indenture, dated as of October 1, 2007 (the "Intermediate Lien Master Trust Indenture," and as amended and supplemented from time to time, the "Intermediate Lien Indenture"), between the Board and U.S. Bank National Association, as trustee (the "Intermediate Lien Trustee"), and a Fourth Supplemental Intermediate Lien Trust Indenture, to be dated as of February 1, 2021 (the "Fourth Supplemental Intermediate Lien Trust Indenture"), between the Board and the Intermediate Lien Trustee. The 2021 Series H Intermediate Lien Bonds will be secured by a pledge of and lien on Intermediate Lien Pledged Revenues, on a parity with the pledge securing any additional Intermediate Lien Bonds issued or to be issued under the Intermediate Lien Indenture. Following the issuance of the 2021 Series H Intermediate Lien Bonds, in addition to the 2021 Series H Intermediate Lien Bonds, the Port will have a further $162,590,000 in aggregate principal amount of Intermediate Lien Bonds outstanding, consisting of $90,180,000 of the Port's Intermediate Lien Refunding Revenue Bonds 2017 Series D (Private Activity/AMT), $38,480,000 of the Port's Intermediate Lien Refunding Revenue Bonds 2017 Series E (Governmental/Non-AMT) and $33,930,000 of the Port's Intermediate Lien Refunding Revenue Bonds 2017 Series G (Federally Taxable). Concurrently with the marketing of the 2021 Series H Intermediate Lien Bonds, the Board also marketed its Senior Lien Refunding Revenue Bonds 2020 Series R (AMT) (Federally Taxable), which are anticipated to be issued on or about December 3, 2020, for the purpose, among others, of refunding and defeasing a portion of the Port's outstanding Senior Lien Refunding Revenue Bonds 2012 Series P (AMT).

The 2021 Series H Intermediate Lien Bonds are not expected to be issued until a date on or about February 2, 2021 (the "2021 Settlement Date"). For a discussion of the forward delivery of the 2021 Series H Intermediate Lien Bonds, certain conditions to the underwriters' obligation to purchase the 2021 Series H Intermediate Lien Bonds, and certain risks to purchasers of beneficial interests in the 2021 Series H Intermediate Lien Bonds resulting from this forward delivery, see "CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS" herein. Delivery of the 2021 Series H Intermediate Lien Bonds, and delivery of the opinions of Bond Counsel and Special Tax Counsel with respect to the 2021 Series H Intermediate Lien Bonds, is subject to the satisfaction of certain terms and conditions provided in a Forward Delivery Bond Purchase Contract, as described under the heading "CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS."

The 2021 Series H Intermediate Lien Bonds will not be a debt, liability, or obligation of the City of Oakland, the State of California, or any public agency thereof (other than the Board to the extent of the Intermediate Lien Pledged Revenues). The faith and credit, the taxing power and property of any of the aforementioned public entities (other than the Board to the extent of the Intermediate Lien Pledged Revenues) are NOT pledged to the payment of the principal of or interest or premium, if any, on the 2021 Series H Intermediate Lien Bonds. The Board has no power of taxation.

Purchasers of the 2021 Series H Intermediate Lien Bonds will be deemed to have consented to certain amendments to the Intermediate Lien Master Trust Indenture described under "—AMENDMENTS TO INTERMEDIATE LIEN MASTER TRUST INDENTURE."

This cover page is not intended to be a summary of the terms of, or the security for, the 2021 Series H Intermediate Lien Bonds. Investors are advised to read the Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

The 2021 Series H Intermediate Lien Bonds are offered when, as and if issued by the Board and accepted by the underwriters, subject to the approval of legality by O'Melveny & Myers LLP, Bond Counsel to the Board, and to certain other conditions. Certain legal matters will be passed upon for the Board by Michele Heffes, Port Attorney; other legal matters will be passed upon for the Board by Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel to the Board. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP. It is expected that the delivery of the 2021 Series H Intermediate Lien Bonds will be through the facilities of DTC on or about February 2, 2021.

BofA Securities

Goldman Sachs & Co. LLC **Siebert Williams Shank & Co., LLC**

Backstrom McCarley Berry & Co., LLC **Blaylock Van, LLC** **Loop Capital Markets**

November 19, 2020

MATURITY SCHEDULE

$182,010,000
Port of Oakland, California
Intermediate Lien Refunding Revenue Bonds
2021 Series H (AMT)

Due	Principal Amount	Interest Rate	Yield	Price	CUSIP[1] (Base: 735000)
May 1, 2022	$16,450,000	5.000%	0.660%	105.380	SZ5
May 1, 2023	17,270,000	5.000	0.720	109.522	TA9
May 1, 2024	18,135,000	5.000	0.790	113.469	TB7
May 1, 2025	19,040,000	5.000	0.860	117.228	TC5
May 1, 2026	20,000,000	5.000	0.990	120.453	TD3
May 1, 2027	20,995,000	5.000	1.100	123.481	TE1
May 1, 2028	22,045,000	5.000	1.250	125.903	TF8
May 1, 2029	23,150,000	5.000	1.400	127.945	TG6
November 1, 2029	24,925,000	5.000	1.430	129.253	TH4

[1] CUSIP information herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP numbers are provided for convenience of reference only. None of the Board, the Port or the Underwriters assume any responsibility for the accuracy of such numbers.

PORT OF OAKLAND

Board of Port Commissioners of the City of Oakland

Andreas Cluver
President

Barbara Leslie First Vice-President	Yui Hay Lee Second Vice-President
Cestra Butner Commissioner	Michael Colbruno Commissioner
Arabella Martinez Commissioner	Joan H. Story Commissioner

Danny Wan
Executive Director

Kristi McKenney Chief Operating Officer		Michele Heffes, Esq. Port Attorney
Bryant L. Francis Director of Aviation	Bryan Brandes Director of Maritime	Pamela Kershaw Director of Commercial Real Estate

Julie Lam
Acting Chief Financial Officer

SPECIAL SERVICES

<u>Verification Agent</u>	<u>Municipal Advisor</u>	<u>Bond Counsel</u>
Causey Demgen & Moore P.C.	Montague DeRose and Associates, LLC	O'Melveny & Myers LLP

<u>Special Tax Counsel</u>

Orrick, Herrington & Sutcliffe LLP

PORT OF OAKLAND

This Official Statement (which term shall be deemed to include the appendices to this Official Statement and all documents incorporated herein by reference) is being used in connection with the sale of the 2021 Series H Intermediate Lien Bonds and may not be reproduced or be used, in whole or in part, for any other purpose. Certain information contained in, or incorporated by reference in, this Official Statement has been obtained from DTC and other sources that are deemed reliable. No guaranty is made, however, as to the accuracy or completeness of information obtained from such other sources by the Port or the Underwriters. The information contained in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the Port since the date of this Official Statement.

NO DEALER, BROKER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE PORT OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS OFFICIAL STATEMENT (INCLUDING APPENDICES), IN CONNECTION WITH THE OFFERING OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE PORT, THE CITY OF OAKLAND, OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS AN AGREEMENT OR CONTRACT BETWEEN THE PORT AND THE PURCHASERS OR HOLDERS OF ANY 2021 SERIES H INTERMEDIATE LIEN BONDS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF, THE 2021 SERIES H INTERMEDIATE LIEN BONDS IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION, OR SALE, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION, OR SALE.

The order and placement of material in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality, or importance, and all material in this Official Statement, including the Appendices, must be considered in its entirety. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS, PROJECTIONS, ESTIMATES, AND OTHER "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE," "FORECAST," "ASSUME," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH FORECASTS, PROJECTIONS, ESTIMATES, AND OTHER FORWARD-LOOKING STATEMENTS ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS. ANY SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS OR PERFORMANCE TO DIFFER MATERIALLY FROM THOSE THAT HAVE BEEN FORECASTED, ESTIMATED, OR PROJECTED. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE DELIVERY OF THIS OFFICIAL STATEMENT DOES NOT IMPOSE UPON THE BOARD ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGES IN THE BOARD'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

THE 2021 SERIES H INTERMEDIATE LIEN BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE

SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. THE 2021 SERIES H INTERMEDIATE LIEN BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXCEPTIONS CONTAINED THEREIN, AND THE INTERMEDIATE LIEN INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXCEPTIONS CONTAINED THEREIN. THE REGISTRATION OR QUALIFICATION OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATE IN WHICH THE 2021 SERIES H INTERMEDIATE LIEN BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS, OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS AS TO LEGAL, BUSINESS, AND TAX ADVICE. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

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OFFICIAL STATEMENT

$182,010,000
PORT OF OAKLAND, CALIFORNIA
INTERMEDIATE LIEN REFUNDING REVENUE BONDS
2021 SERIES H
(AMT)

INTRODUCTION

This introduction is subject in all respects to the more complete information and definitions contained elsewhere in this Official Statement. The offering of the 2021 Series H Intermediate Lien Bonds (as defined below) to potential purchasers is made only by means of this entire Official Statement. Investors are instructed to review this entire Official Statement, as well as the documents summarized in the Appendices hereto, prior to making an investment decision. Capitalized terms used but not defined elsewhere in this Official Statement are defined in APPENDIX B-1 – "SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE."

The purpose of this Official Statement, including the cover page, inside cover page and immediately succeeding pages, table of contents, appendices, and all documents incorporated herein by reference (this "Official Statement"), is to provide information concerning the sale and delivery by the Board of Port Commissioners of the City of Oakland (together with any successor to its function, the "Board") of the Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT) (the "2021 Series H Intermediate Lien Bonds") in the aggregate principal amount of $182,010,000.

The Port of Oakland

The Port of Oakland (the "Port") is an independent department of the City of Oakland, California (the "City"). The Port manages three lines of business: Aviation, Maritime, and Commercial Real Estate. The Board has complete and exclusive power over, among other matters, all Port facilities and property, all income and revenue of the Port, and proceeds of all Port bond sales. The Port Area (as defined in The Charter of the City of Oakland) extends approximately 19 miles from the border of the City of Emeryville (located immediately north of the San Francisco-Oakland Bay Bridge), south to the border of the City of San Leandro. Port facilities include the Oakland International Airport (the "Airport" or "OAK"); marine terminals, rail facilities for intermodal and bulk cargo handling, areas for truck staging, container storage and maritime support services (collectively, the "Seaport"); commercial, industrial, recreational, and other land under lease or available for lease or sale; undeveloped land; and water area. Additional information about the Board and the Port is included under the headings "THE PORT OF OAKLAND," "PORT FINANCES," and "CAPITAL PLANNING AND CAPITAL PROJECTS." In addition, the Port's audited basic financial statements for the fiscal years 2020 and 2019 (which ended on June 30, 2020 and June 30, 2019, respectively) are included in APPENDIX A to this Official Statement. The Port's fiscal year currently begins on July 1 of each given year and ends on June 30 of the subsequent year (each a "Fiscal Year"). Certain economic and demographic information can be found in APPENDIX G to this Official Statement.

For a discussion of certain risks associated with an investment in the 2021 Series H Intermediate Lien Bonds, see "INVESTOR CONSIDERATIONS."

Impact of the COVID-19 Pandemic

The outbreak of a new strain of coronavirus known as SARS-CoV-2 has resulted in the coronavirus disease ("COVID-19"), which is a respiratory disease that was first reported in China in December 2019, has since spread to other countries, including the United States, and has been declared a global pandemic by the World Health Organization ("WHO"). As a result of the spread of COVID-19 into the United States, President Trump declared a national state of emergency on March 13, 2020. The U.S. Department of State and the Centers for Disease Control and Prevention ("CDC"), as well as other governmental authorities, nations, and companies, have issued travel restrictions and warnings for countries around the world, including the United States. In an attempt to slow the spread of COVID-19, the federal government and many states, counties, and cities, including in the Bay Area and California generally, have instituted social distancing guidelines and/or stay-at-home health orders, with certain exceptions including for essential infrastructure and essential governmental functions, for various periods of time. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, the cancellation of numerous events, avoiding social groups, and limitations on the operations of restaurants, bars, and other gathering establishments. The Port cannot predict how long social distancing or other preventive guidelines will be in effect, nor when or whether stay-at-home orders may be in effect, modified, or rescinded in the Bay Area or other places in California; however, the health orders have been modified on numerous occasions over the last eight months.

The outbreak of the COVID-19 pandemic and related restrictions and measures adopted to contain the spread of the virus have had, and continue to have, a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and Airport concessionaires, and have caused, and continue to cause, record-high unemployment and significant contraction of global and international economies, which has negatively affected Seaport shipping volumes and revenues. Although Port operations have continued largely uninterrupted throughout the pandemic due to the essential nature of its core businesses, which provides essential infrastructure and essential governmental functions, the Port's operations, as well as the finances and operations of its tenants and operators, have been materially adversely affected by the impacts of the COVID-19 pandemic and the measures taken and imposed to counter it. Because substantial portions of Port revenues consist of fixed rents collected pursuant to long-term lease agreements, activity declines at the Port do not always directly correlate to declines in Port revenue. The Port has, however, agreed to certain adjustments to and waivers of certain fixed rent payments to address the impacts of the COVID-19 pandemic, and the Port has experienced declines in certain types of revenue that are more activity-dependent, so Port finances have been adversely affected as a result of the pandemic.

Of the Port's three revenue divisions, the Aviation division has been most severely impacted by the COVID-19 pandemic. As shown in the following tables, beginning in March 2020, passenger enplanement volumes decreased dramatically and aviation cargo volumes decreased more modestly as compared to the same months in 2019 as the impacts of the pandemic began to be felt.

TABLE 1
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
MONTHLY COMPARISON OF ENPLANED PASSENGERS
JANUARY TO SEPTEMBER 2019 AND 2020

Month	2019 Enplanements	2020 Enplanements	% Change
January	462,483	442,919	(4.2)
February	441,598	424,367	(3.9)
March	552,933	217,742	(60.6)
April	562,422	22,489	(96.0)
May	605,520	53,479	(91.2)
June	619,656	129,960	(79.0)
July	614,020	172,085	(72.0)
August	590,892	155,488	(73.7)
September	559,520	161,413	(71.2)
Cumulative January - September	5,009,044	1,779,942	(64.5)

TABLE 2
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
MONTHLY COMPARISON OF AVIATION CARGO VOLUMES (in 1,000 lbs)
JANUARY TO SEPTEMBER 2019 AND 2020

Month	2019 Cargo Volume	2020 Cargo Volume	% Change
January	108,298	93,607	(13.5)
February	93,993	87,765	(6.6)
March	109,660	97,799	(10.8)
April	106,796	97,586	(8.6)
May	112,123	102,916	(8.2)
June	102,894	106,156	3.2
July	105,295	110,556	5.0
August	107,841	104,110	(3.5)
September	98,265	109,408	11.3
Cumulative January - September	945,165	909,903	(3.7)

For a discussion of the impacts of the pandemic on the Airport, including how reduced passenger and cargo volumes have affected Airport revenues, see “THE PORT OF OAKLAND—Aviation—Activity at the Airport—Impact of COVID-19 on Airport Operations,” “THE PORT OF OAKLAND—Aviation—Airport Operating Revenues—Impact of COVID-19 on Airport Revenues,” “PORT FINANCES—Debt Service Coverage—Projected Debt Service Coverage” and “PORT OPERATING BUDGET AND 2022-2025 PROJECTION PERIOD.”

Maritime operations have also been impacted by the COVID-19 pandemic, but less drastically than at the Airport. The following table shows total containerized cargo at the Seaport (inbound and outbound, full and empty), which are measured in twenty-foot equivalent units ("TEUs"), for the first nine months of calendar years 2020 and 2019.

TABLE 3
PORT OF OAKLAND
MARITIME DIVISION
MONTHLY COMPARISON OF CONTAINERIZED CARGO
JANUARY TO SEPTEMBER 2019 AND 2020

Month	2019 Total TEUs	2020 Total TEUs	% Change
January	212,493	211,250	(0.6)
February	185,685	180,226	(2.9)
March	213,972	190,189	(11.1)
April	216,003	201,918	(6.5)
May	223,095	185,595	(16.8)
June	203,730	199,011	(2.3)
July	218,191	219,080	0.4
August	224,535	225,489	0.4
September	206,539	225,809	9.3
Cumulative January - September	1,904,244	1,838,566	(3.4)

For a discussion of the impacts of the pandemic on the Seaport, see "THE PORT OF OAKLAND—Maritime—Activity at the Seaport—Impact of COVID-19 on Seaport Operations," "THE PORT OF OAKLAND—Maritime— Seaport Operating Revenues—Impact of COVID-19 on Seaport Revenues," "PORT FINANCES—Debt Service Coverage—Projected Debt Service Coverage" and "PORT OPERATING BUDGET AND 2022-2025 PROJECTION PERIOD."

As part of the development of the Port's operating budget for Fiscal Year 2021, the Port also developed projections for Fiscal Years 2022 through 2025 of, among other things, Port revenues, expenses, debt service coverage, and Aviation and Maritime activity. Certain of these projections are provided in the following table, along with actual results from Fiscal Years 2019 and 2020 and budgeted results for Fiscal Year 2021. For additional information on the Port's projections for Fiscal Years 2022 through 2025, see "PORT FINANCES—Debt Service Coverage—Projected Debt Service Coverage" and "PORT OPERATING BUDGET AND 2022-2025 PROJECTION PERIOD."

The debt service coverage numbers set forth in the following table are calculated based on the requirements for such calculation as set forth in the Intermediate Lien Indenture prior to the effectiveness of the Fourth Supplemental Intermediate Lien Trust Indenture. As further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant," the Fourth Supplemental Intermediate Lien Trust Indenture contains certain amendments to the rate covenant in the Intermediate Lien Indenture that are likely to increase the debt service coverage ratios calculated under the Intermediate Lien Indenture. Similar changes are anticipated to be made to the Senior Lien Master Trust Indenture (as defined herein) pursuant to the Sixteenth Supplemental Senior Lien Trust Indenture to be entered into upon the issuance of the 2020 Series R Senior Lien Revenue Bonds, on or about December 3, 2020 (the "Sixteenth Supplemental Senior Lien Trust Indenture"), as further described below under "—The 2021 Series H Intermediate Lien Bonds."

TABLE 4
PORT OF OAKLAND
ACTUAL, BUDGETED AND PROJECTED
DEBT SERVICE COVERAGE AND ACTIVITY LEVELS
(FISCAL YEARS 2019-2025)

	2019[(1)]	2020[(2)]	2021[(3)]	2022[(4)]	2023[(4)]	2024[(4)]	2025[(4)]
Debt Service Coverage							
Net Revenues[(5)]	$194,104	$165,302	$109,794	$126,921	$141,991	$161,283	$171,293
Senior Lien Bond Debt Service[(6)]	46,133	47,184	57,633	66,712	65,135	64,036	64,035
Senior Lien Bond, Debt Service Coverage[(7)]	4.21	3.50	1.91	1.90	2.18	2.52	2.67
Senior Lien Bond, Outstanding DBW Loan and Intermediate Lien Bond Debt Service[(6)]	93,188	93,160	78,585	80,427	80,347	93,163	93,169
Senior Lien Bond, Outstanding DBW Loan and Intermediate Lien Bond Debt Service Coverage[(7)]	2.08	1.77	1.40	1.58	1.77	1.73	1.84
Activity Levels							
Aviation							
Enplanements	6,807,835	4,735,801	3,082,000	3,852,000	4,815,000	5,296,000	5,826,000
Aviation Cargo (tons)	1,329,820	1,246,477	1,111,624	1,111,624	1,181,657	1,240,739	1,364,813
Maritime							
TEUs	2,589,698	2,413,641	2,197,857	2,228,380	2,259,337	2,290,733	2,322,575

(1) Audited Fiscal Year 2019.

(2) Audited Fiscal Year 2020.

(3) Budgeted Fiscal Year 2021; does not reflect debt service savings as a result of the refunding of the Refunded Series O Bonds, or the anticipated repayment of the Outstanding DBW Loan and refunding of the Refunded Series O Bonds.

(4) Projected Fiscal Years 2022-2025; does not reflect debt service savings as a result of the refunding of the Refunded Series O Bonds, or the anticipated repayment of the Outstanding DBW Loan and refunding of the Refunded Series O Bonds.

(5) Calculated as defined under the Senior Lien Indenture prior to the amendments to the Senior Lien Master Trust Indenture that will be included in the Sixteenth Supplemental Senior Lien Trust Indenture. For a description of changes to be made to the calculation of Net Revenues, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant."

(6) Fiscal Year 2021, Fiscal Year 2022 and Fiscal Year 2023 senior lien debt service has been decreased by $7.8 million, $9.5 million and $9.2 million respectively, while intermediate lien debt service has been similarly decreased by $6.7 million, $3.2 million and $3.6 million. This reflects the proceeds of commercial paper borrowings being used to pay senior lien debt service and intermediate lien debt service, which commercial paper will be repaid with CARES Act (as defined herein) funds received by the Port.

(7) Calculated as defined under the Senior Lien Indenture prior to the amendments to the Senior Lien Master Trust Indenture that will be included in the Sixteenth Supplemental Senior Lien Trust Indenture, and prior to any similar changes to the rate covenant under the Intermediate Lien Indenture. For a description of changes to be made to the calculation of the Port's senior and intermediate lien debt service coverage calculations generally, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant."

The 2021 Series H Intermediate Lien Bonds

The 2021 Series H Intermediate Lien Bonds will be issued pursuant to an Intermediate Lien Master Trust Indenture, dated as of October 1, 2007 (the "Intermediate Lien Master Trust Indenture," and as amended and supplemented from time to time, the "Intermediate Lien Indenture"), between the Board and U.S. Bank National Association, as trustee (the "Intermediate Lien Trustee"), and a Fourth Supplemental Intermediate Lien Trust Indenture, to be dated as of February 1, 2021 (the "Fourth Supplemental Intermediate Lien Trust Indenture"), between the Board and the Intermediate Lien Trustee. The 2021 Series

H Intermediate Lien Bonds have been authorized by a resolution adopted by the Board on November 5, 2020 (the "Resolution") and are being issued under and in accordance with Article VII of the Charter of the City of Oakland (as amended, the "Charter") and Ordinance No. 2858 adopted by the Board on February 21, 1989, setting forth certain procedures for the issuance and sale of debt instruments by the Port.

The 2021 Series H Intermediate Lien Bonds are being sold on a forward delivery basis with expected delivery on or about February 2, 2021. Please see "CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS."

Proceeds from the sale of the 2021 Series H Intermediate Lien Bonds will be applied: (i) to refund and defease a portion of the Port's outstanding Refunding Revenue Bonds 2011 Series O (AMT) (the "2011 Series O Senior Lien Bonds," and such refunded and defeased portion, the "Refunded Series O Bonds"), as more particularly described in "REFUNDING PLAN" below; (ii) to satisfy the Intermediate Lien Common Reserve Fund Requirement (as defined herein) as adjusted as a result of the issuance of the 2021 Series H Intermediate Lien Bonds; and (iii) to pay costs of issuing the 2021 Series H Intermediate Lien Bonds. See also "ESTIMATED SOURCES AND USES OF FUNDS."

Concurrently with the marketing of the 2021 Series H Intermediate Lien Bonds, the Board also marketed its Senior Lien Refunding Revenue Bonds 2020 Series R (Federally Taxable) (the "2020 Series R Senior Lien Bonds"), which are anticipated to be issued on or about December 3, 2020, for the purpose of, among others, refunding and defeasing a portion of the Port's Refunding Revenue Bonds 2012 Series P (AMT) (the "2012 Series P Senior Lien Bonds," and such refunded and defeased portion, the "Refunded Series P Bonds"), and of repaying all of the Port's Outstanding DBW Loan (as defined herein). No assurances can be given that such refunding and defeasance of the Refunded Series P Bonds will occur.

The 2021 Series H Intermediate Lien Bonds are Intermediate Lien Bonds under the Intermediate Lien Indenture and will be secured by a pledge and assignment of and a lien on and security interest in, and will be payable solely from, Intermediate Lien Pledged Revenues (as described below) and certain funds and accounts specified in the Intermediate Lien Indenture and earnings on each, as described in greater detail under "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS." "Intermediate Lien Bond" generally means any debt obligation of the Board issued pursuant to the Intermediate Lien Indenture. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE TRUST INDENTURE—DEFINITIONS" for the complete definition of Intermediate Lien Bond.

The pledge of the Intermediate Lien Pledged Revenues securing the 2021 Series H Intermediate Lien Bonds will be on a parity with the pledge of Intermediate Pledged Revenues securing other bonds currently outstanding under the Intermediate Lien Indenture and any additional Intermediate Lien Bonds that may be issued in the future under the Intermediate Lien Indenture. As of November 1, 2020 (following the debt service payment due on such date), the Port had outstanding an aggregate of $162,590,000 principal amount of Intermediate Lien Bonds, consisting of: (i) $90,180,000 aggregate principal amount of the Port's Intermediate Lien Refunding Revenue Bonds 2017 Series D (Private Activity/AMT), (ii) $38,480,000 aggregate principal amount of the Port's Intermediate Lien Refunding Revenue Bonds 2017 Series E (Governmental/Non-AMT), and $33,930,000 aggregate principal amount of the Port's Intermediate Lien Refunding Revenue Bonds 2017 Series G (Federally Taxable) (collectively the "Existing Intermediate Lien Bonds"). The Existing Intermediate Lien Bonds will remain outstanding following the issuance of the 2021 Series H Intermediate Lien Bonds. The Board may issue additional Intermediate Lien Bonds on a parity with the Existing Intermediate Lien Bonds, the 2021 Series H Intermediate Lien Bonds, and any other Intermediate Lien Bonds upon satisfaction of certain requirements set forth in the Intermediate Lien Indenture.

The pledge, lien and security interest securing the Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, are junior and subordinate, first, to the pledge, lien and security interest created in favor of Senior Lien Bonds (including any reserve requirements applicable to the Senior Lien Bonds), and, second, to the pledge, lien and security interest created in favor of the Board's repayment obligations under the DBW Loans. "Senior Lien Bonds" generally means any debt obligation of the Board issued pursuant to the Amended and Restated Master Trust Indenture, between the Board and U.S. Bank National Association, as trustee (the "Senior Trustee"), dated as of April 1, 2006, as amended and supplemented from time to time (the "Senior Lien Master Trust Indenture"). "DBW Loans" generally means loan agreements between the Board and the California Department of Boating and Waterways. Both the Senior Lien Bonds and the DBW Loans are further described under "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Permitted Prior Lien Obligations." See also APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE TRUST INDENTURE" and APPENDIX B-2—"SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE" for a more complete description of Senior Lien Bonds and DBW Loans. The Senior Lien Bonds and the DBW Loans are referred to collectively herein as the "Permitted Prior Lien Obligations."

The Permitted Prior Lien Obligations are secured by a pledge of and lien on, and are payable solely from, Pledged Revenues. Intermediate Lien Pledged Revenues secure the Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, and consist of Pledged Revenues remaining after payment on the Senior Lien Bonds, including the funding of any reserves securing the Senior Lien Bonds, and the payment of DBW Loans. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Intermediate Lien Pledged Revenues" and APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE TRUST INDENTURE" for a more complete description of Intermediate Lien Pledged Revenues. As of November 1, 2020, Senior Lien Bonds were outstanding in the aggregate principal amount of $606,165,000. However, as described above, the Port marketed, concurrently with the marketing of the 2021 Series H Intermediate Lien Bonds, $343,755,000 in aggregate principal amount of the 2020 Series R Senior Lien Bonds for the purpose of refunding the Refunded Series P Bonds. Following the anticipated issuance of the 2020 Series R Senior Lien Bonds and the refunding of the Refunded Series P Bonds on or about December 3, 2020, the Port will have a total of $635,060,000 of Senior Lien Bonds outstanding, of which a portion will constitute Refunded Series O Bonds to be refunded with proceeds of the 2021 Series H Intermediate Lien Bonds. As of November 1, 2020, the DBW Loans were outstanding in the aggregate principal amount of $3,325,867. The Port also plans to apply a portion of the 2020 Series R Senior Lien Bonds to retire the entire outstanding amount of the DBW Loans. Therefore, if such issuance is completed as anticipated, the DBW Loans will no longer remain outstanding following issuance of the 2020 Series R Senior Lien Bonds, although the Port could seek to obtain additional loans from the California Department of Boating and Waterways in the future.

The Board has covenanted in the Intermediate Lien Master Trust Indenture not to issue or incur any other obligations payable from or secured by a pledge of or lien on Intermediate Lien Pledged Revenues prior to that of the Intermediate Lien Bonds except for the Permitted Prior Lien Obligations. While the terms of the Intermediate Lien Master Trust Indenture do not restrict the Board's ability to issue additional Senior Lien Bonds, the Senior Lien Master Trust Indenture sets forth financial and other requirements that must be satisfied in connection with the issuance of additional Senior Lien Bonds. The Intermediate Lien Indenture requires that the Board satisfy certain debt service coverage requirements prior to incurring additional DBW Loans. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS —Permitted Prior Lien Obligations."

The 2021 Series H Intermediate Lien Bonds will also be secured by the Intermediate Lien Common Reserve Fund (as defined herein). The Board will satisfy its obligation to fund up to $36,453,135.93 of the

Intermediate Lien Common Reserve Fund Requirement (as defined herein) with an existing surety policy previously issued by MBIA Insurance Corporation, which is now administered by National Public Finance Guarantee Corporation (the "Debt Service Reserve Surety Policy") to the Intermediate Lien Trustee in lieu of cash or securities. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Intermediate Lien Common Reserve Fund." Upon the issuance of the 2021 Series H Intermediate Lien Bonds, the Intermediate Lien Common Reserve Fund requirement is anticipated to be $45,749,770.

The Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, are not a debt, liability, or obligation of the City of Oakland, the State of California (the "State"), or any public agency thereof (other than the Board to the extent of the Intermediate Lien Pledged Revenues). The faith and credit, the taxing power and property of any of the aforementioned public entities (other than the Board to the extent of the Intermediate Lien Pledged Revenues) are NOT pledged to the payment of the principal of or interest or premium, if any, on the Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds. The Board has no power of taxation.

Amendments to Intermediate Lien Master Trust Indenture

The Fourth Supplemental Intermediate Lien Trust Indenture provides for certain amendments to the Intermediate Lien Master Trust Indenture as described under "AMENDMENTS TO INTERMEDIATE LIEN MASTER TRUST INDENTURE." These amendments will become effective when the holders of at least 51% of the aggregate principal amount of the Intermediate Lien Bonds then-Outstanding have consented to, or have been deemed to have consented to, such amendments and certain other conditions have been satisfied. Purchasers of the 2021 Series H Intermediate Lien Bonds will be deemed to have consented to the above-referenced amendments to the Intermediate Lien Master Trust Indenture. Following the issuance of the 2021 Series H Intermediate Lien Bonds, the holders of the 2021 Series H Intermediate Lien Bonds will hold more than 51% of the aggregate principal amount of the Intermediate Lien Bonds Outstanding, and therefore the requisite bondholder consent will have been obtained. See "REFUNDING PLAN." The Port also anticipates satisfying all other conditions to the effectiveness of such amendments concurrently with or prior to the issuance of the 2021 Series H Intermediate Lien Bonds, and therefore the amendments are expected to become effective upon the issuance of the 2021 Series H Intermediate Lien Bonds.

Continuing Disclosure

Pursuant to a continuing disclosure agreement to be entered into by the Board at the time of issuance of the 2021 Series R Senior Lien Bonds, the Board will covenant for the benefit of the registered owners of the 2021 Series H Intermediate Lien Bonds, and the Beneficial Owners (as defined in APPENDIX F) of such 2021 Series H Intermediate Lien Bonds, to provide certain financial information and operating data with respect to the Port (the "Annual Report") not later than 240 days following the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2021, and to provide notices of the occurrence of certain enumerated events. See "CONTINUING DISCLOSURE."

Miscellaneous

General descriptions of the 2021 Series H Intermediate Lien Bonds, the Port, the Intermediate Lien Master Trust Indenture, the Fourth Supplemental Intermediate Lien Trust Indenture, and certain other documents are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports, or other instruments described herein are qualified in their entirety by reference to each such document, statute, report, or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Port since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Board and purchasers or owners of any of the 2021 Series H Intermediate Lien Bonds.

REFUNDING PLAN

A portion of the proceeds of the 2021 Series H Intermediate Lien Bonds will be used to effect the refunding and defeasance of the Refunded Series O Bonds. Such proceeds, along with other legally available moneys, will be deposited into an escrow fund held by the Senior Lien Trustee pursuant to an escrow agreement and used to redeem the Refunded Series O Bonds, on May 1, 2021 at a redemption price of 100% of the outstanding principal amount of the Refunded Series O Bonds, plus accrued interest to the date fixed for redemption. Amounts in the escrow fund will be held by the Senior Lien Trustee as cash and/or invested in permitted investments as specified in the Senior Lien Indenture.

A portion of the proceeds of the 2021 Series H Intermediate Lien Bonds will be used to fund the increase in the Intermediate Lien Common Reserve Fund Requirement caused by the issuance of the 2021 Series H Intermediate Lien Bonds. Amounts in the Senior Lien Common Reserve Fund attributable to the Refunded Series O Bonds will be released to fund a portion of the deposits to the escrow fund. Following the foregoing deposits and the satisfaction of conditions to be satisfied on the date of issuance of the 2021 Series H Intermediate Lien Bonds, the Refunded Series O Bonds will no longer be secured by or entitled to the benefits of the Senior Lien Indenture, except for the purposes of payment from the amounts on deposit in the escrow fund. The Refunded Series O Bonds, are described in the table below.

Port of Oakland Senior Lien Refunding Revenue Bonds 2011 Series O (AMT)

Due (May 1)	Principal Amount	Interest Rate	CUSIP[1]
			(Base: 735000)
2022	$18,040,000	5.000%	PP0
2023	18,940,000	5.000	PQ8
2024	19,890,000	5.000	PR6
2025	20,880,000	5.000	PS4
2026	21,930,000	5.000	PT2
2027	23,025,000	5.000	PV7
2028	24,175,000	5.000	PW5
2029	25,385,000	5.000	PX3
2030	26,655,000	5.125	PY1
2031	26,990,000	5.125	PU9
Total	$225,910,000		

(1) CUSIP information herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP numbers are provided for convenience of reference only. None of the Board, the Port or the Underwriters assume any responsibility for the accuracy of such numbers.

Concurrently with the marketing of the 2021 Series H Intermediate Lien Bonds, the Board also marketed its 2020 Series R Senior Lien Bonds for the purpose, among others, of refunding and defeasing the Refunded Series P Bonds and retiring the entire outstanding amount of the DBW Loans. Such 2020 Series R Senior Lien Bonds, if issued, would be delivered on or about December 3, 2020. For more information regarding the potential issuance of the 2020 Series R Senior Lien Bonds, see "INTRODUCTION—The 2021 Series H Intermediate Lien Bonds" above.

Verification

Causey Demgen & Moore P.C. (the "Verification Agent") is expected to deliver to the Port, on or before the date the 2021 Series H Intermediate Lien Bonds are issued, its report indicating that it has verified the mathematical accuracy of the mathematical computations relating to the sufficiency of the cash to pay, when due, the redemption price of the Refunded Series O Bonds and interest on the Refunded Series O Bonds through and including the redemption date. The Verification Agent will restrict its procedures to recalculating the computations provided to it and will not independently confirm the information used in the computations. Bond Counsel will rely upon the report of the Verification Agent in delivering its opinion in connection with the issuance of the 2021 Series H Intermediate Lien Bonds and the defeasance of the Refunded Series O Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the 2021 Series H Intermediate Lien Bonds and other available funds of the Port are as follows:

SOURCES OF FUNDS	
Par Amount	$182,010,000.00
Original Issue Premium	36,743,603.80
Prior Fund Transfers	22,982,303.69
Total	**$241,735,907.49**
USES OF FUNDS	
Series O Escrow Fund Deposit	$231,591,298.13
Intermediate Lien Common Reserve Fund Deposit	9,296,633.65
Costs of Issuance*	847,975.71
Total	**$241,735,907.49**

* Includes legal fees, fees of the Intermediate Lien Trustee, Underwriters' discount, rating agencies fees, municipal advisor fees, Verification Agent fees, printing cost and certain miscellaneous expenses.

CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS

General

The Port will enter into a forward delivery bond purchase contract (the "Forward Delivery Bond Purchase Contract") for the 2021 Series H Intermediate Lien Bonds with BofA Securities, Inc. (the "Representative"), as representative of the Underwriters. Subject to the terms of the Forward Delivery Bond Purchase Contract, the Port expects to issue and deliver the 2021 Series H Intermediate Lien Bonds on or about February 2, 2021 or on such later date as is mutually agreed upon by the Port and the Representative (the "Settlement Date").

Pursuant to the Forward Delivery Bond Purchase Contract, the Underwriters will agree to purchase the 2021 Series H Intermediate Lien Bonds on the Settlement Date. An initial closing (the "Initial Closing") will be held with respect to the 2021 Series H Intermediate Lien Bonds on or about December 3, 2020. At such time, the conditions for issuance and delayed delivery of the 2021 Series H Intermediate Lien Bonds and payment therefor by the Underwriters are expected to be met, except for the confirmation of certain facts, and the delivery of certain documents, certificates and opinions specified in the Forward Delivery Bond Purchase Contract, the receipt of which is a condition to the delivery of the 2021 Series H Intermediate Lien Bonds.

Upon satisfaction of the conditions of the Initial Closing, and subject to compliance with the conditions described below and in the Forward Delivery Bond Purchase Contract, the Underwriters will be obligated to take delivery of and pay for the 2021 Series H Intermediate Lien Bonds on the Settlement Date. There will be no delivery of the 2021 Series H Intermediate Lien Bonds or any payment therefor on the date of the Initial Closing.

Settlement

The issuance of the 2021 Series H Intermediate Lien Bonds and the obligation of the Underwriters under the Forward Delivery Bond Purchase Contract to purchase, accept delivery of, and pay for the 2021 Series H Intermediate Lien Bonds on the Settlement Date are conditioned upon the performance by the Port of its obligations thereunder, including, without limitation, the delivery of an opinion, dated the Settlement Date, of Bond Counsel, substantially in the form set forth in Appendix D to this Official Statement, and the delivery of an opinion, dated the Settlement Date, of Special Tax Counsel, substantially in the form set forth in Appendix E to this Official Statement. The purchase and delivery of the 2021 Series H Intermediate Lien Bonds is further contingent upon (i) the delivery and/or release from escrow of certain documents, certificates and legal opinions, (ii) the 2021 Series H Intermediate Lien Bonds being rated at least investment grade by each of S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), Fitch Ratings ("Fitch"), and Moody's Investors Service Inc., and (iii) the satisfaction of other conditions set forth in the Forward Delivery Bond Purchase Contract as of the Settlement Date. Certain changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Settlement Date or the failure by the Port to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the 2021 Series H Intermediate Lien Bonds will be issued unless all of the 2021 Series H Intermediate Lien Bonds are issued and delivered on the Settlement Date.

The Representative has the right to terminate the Underwriters' obligations under the Forward Delivery Bond Purchase Contract to purchase, to accept delivery of and to pay for the 2021 Series H Intermediate Lien Bonds by notifying the Port of its election to do so under the circumstances set forth herein and in the Forward Delivery Bond Purchase Contract.

During the period of time between the date of this Official Statement and the Settlement Date (the "Forward Delivery Period"), certain information contained in this Official Statement could change in a material respect. Except as described above, the Underwriters may not refuse to purchase the 2021 Series H Intermediate Lien Bonds by reason of "general market or credit changes," including, but not limited to, (a) changes in the ratings assigned to the 2021 Series H Intermediate Lien Bonds, so long as the 2021 Series H Intermediate Lien Bonds are rated investment grade by each of the Rating Agencies as of the Settlement Date, or (b) changes in the financial condition, operations, performance, properties or prospects of the Port prior to the Settlement Date.

Agreement of Purchasers

By submitting an order for the 2021 Series H Intermediate Lien Bonds, every purchaser of the 2021 Series H Intermediate Lien Bonds (each a "Purchaser") shall be deemed to have committed to purchase its allotted share of the 2021 Series H Intermediate Lien Bonds (the "Purchased 2021 Series H Intermediate Lien Bonds").

By submission of its order, the Purchaser confirms that it has reviewed this Official Statement, has considered the risks associated with purchasing the Purchased 2021 Series H Intermediate Lien Bonds and is duly authorized to purchase the Purchased 2021 Series H Intermediate Lien Bonds. The Purchaser understands that the Purchased 2021 Series H Intermediate Lien Bonds are being sold on a "forward" basis, and the Purchaser will purchase and agree to accept delivery of such Purchased 2021 Series H Intermediate Lien Bonds from the Underwriters on or about the Settlement Date, pursuant to the Forward Delivery Bond Purchase Contract.

Upon issuance by the Port of the 2021 Series H Intermediate Lien Bonds and purchase thereof by the Underwriters, the obligation of the Purchaser to take delivery of the Purchased 2021 Series H Intermediate Lien Bonds shall be unconditional unless the Representative terminates the Forward Delivery Bond Purchase Contract prior to the Settlement Date. The obligations of the Underwriters to accept delivery of and pay for the 2021 Series H Intermediate Lien Bonds on the Settlement Date shall be subject to the accuracy in all material respects of the representations and warranties on the part of the Port contained in the Forward Delivery Bond Purchase Contract as of its date and as of the Settlement Date, to the accuracy in all material respects of the statements of the officers and other officials of the Port, as well as of the other individuals referred to therein, made in any certificates or other documents furnished pursuant to the provisions thereof, to the performance by the Port of its obligations to be performed thereunder at or prior to the Settlement Date and to the following additional conditions, among others:

(A) On the Settlement Date, the 2021 Series H Intermediate Lien Bonds and the Forward Delivery Bond Purchase Contract, Intermediate Lien Indenture, the Fourth Supplemental Intermediate Lien Trust Indenture, the escrow agreement to be entered into by the Port and the escrow agent with respect to the Refunded Series O Bonds, the tax compliance certificate to be delivered by the Port with respect to the 2021 Series H Intermediate Lien Bonds, and the Continuing Disclosure Certificate for the 2021 Series H Intermediate Lien Bonds in the form attached as Appendix F to this Official Statement (collectively, the "Financing Documents") shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative, and there shall have been taken in connection with the issuance of the 2021 Series H Intermediate Lien Bonds and with the transactions contemplated by the 2021 Series H Intermediate Lien Bonds and the Financing Documents, all such actions as, in the opinion of Bond Counsel shall be necessary and appropriate; and

(B) At any time subsequent to the Initial Closing and at or prior to the Settlement Date, the following events shall not have occurred:

(i) any Change in Law shall have occurred (as defined below);

(ii) this Official Statement, as the same may be amended or supplemented in accordance with the Forward Delivery Bond Purchase Contract prior to the time of Settlement, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(iii) Bond Counsel does not deliver an opinion on the Settlement Date substantially in the form and to the effect set forth in Appendix D to this Official Statement;

(iv) Special Tax Counsel does not deliver an opinion on the Settlement Date substantially in the form and to the effect set forth in Appendix E to the Official Statement;

(v) an event of default (howsoever defined) has occurred and is continuing, technical or otherwise, on the Settlement Date under any Financing Document; or

(vi) a reduction or withdrawal of the assigned ratings below the following ratings, or, as of the Settlement Date, the failure by any of the following rating agencies to assign the following ratings, to the 2021 Series H Intermediate Lien Bonds: "BBB-" by S&P, "Baa3" by Moody's, and BBB- by Fitch.

As used in the Forward Delivery Purchase Contract, "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States or introduced therein or recommended for passage by the President of the United States (if such enacted, introduced or recommended legislation has a proposed effective date that is on or before the Settlement Date), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date that is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in the case of any of (i), (ii), (iii) or (iv) would (A) as to the Underwriters, prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from purchasing the 2021 Series H Intermediate Lien Bonds as provided in the Forward Delivery Bond Purchase Contract or selling the 2021 Series H Intermediate Lien Bonds or beneficial ownership interests therein to the public, or (B) as to the Port, make the issuance, sale or delivery of the 2021 Series H Intermediate Lien Bonds illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized), or prevent the issuance of any of the opinions referenced the Forward Delivery Bond Purchase Contract at Settlement; provided, however, that such change in or addition to law, legislation, law, rule or regulation or judgment, ruling or order shall have become effective, been enacted, introduced or recommended, been proposed or enacted or been issued as the case may be, after the date of the Forward Delivery Bond Purchase Contract.

Except as otherwise described above or in the Forward Delivery Bond Purchase Contract, by submission of its order, the Purchaser shall be deemed to acknowledge and agree that it will not be able to withdraw its order and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased 2021 Series H Intermediate Lien Bonds on the Settlement Date because of market or credit changes. The Purchaser shall be deemed to acknowledge and agree that it will remain obligated to purchase the Purchased 2021 Series H Intermediate Lien Bonds in accordance with the terms hereof even if the Purchaser decides to sell such Purchased 2021 Series H Intermediate Lien Bonds after the date of this Official Statement.

Additional Risks Related to the Forward Delivery Period

During the Forward Delivery Period, certain information contained in this Official Statement could change in a material respect. Any changes in such information will not permit the Representative to terminate the Forward Delivery Bond Purchase Contract or release the Purchasers from their obligation to purchase the 2021 Series H Intermediate Lien Bonds. Purchasers of the 2021 Series H Intermediate Lien Bonds will be subject to the risks (including changes in the financial condition and business operations of the Port prior to the Settlement Date), some of which are described below, and none of which will constitute grounds for Purchasers to refuse to accept delivery of and pay for the 2021 Series H Intermediate Lien Bonds unless the Representative determines that such material changes give rise to its right to termination under the Forward Delivery Bond Purchase Contract.

In addition to the risks set forth above, Purchasers of the 2021 Series H Intermediate Lien Bonds are subject to certain additional risks, some of which are described below:

Ratings Risk. No assurances can be given that the ratings assigned to the 2021 Series H Intermediate Lien Bonds on the Settlement Date will not be different from those currently assigned to the 2021 Series H Intermediate Lien Bonds. Issuance of the 2021 Series H Intermediate Lien Bonds and the obligations of the Underwriters under the Forward Delivery Bond Purchase Contract are not conditioned upon the assignment of any particular ratings to the 2021 Series H Intermediate Lien Bonds or the maintenance of the initial ratings assigned to the 2021 Series H Intermediate Lien Bonds. So long as the 2021 Series H Intermediate Lien Bonds are rated at least investment grade by each of S&P, Moody's,and Fitch as of the Settlement Date, the condition precedent concerning the rating of the 2021 Series H Intermediate Lien Bonds under the Forward Delivery Bond Purchase Contract will have been satisfied.

Secondary Market Risk. The Underwriters are not obligated to make a secondary market in the 2021 Series H Intermediate Lien Bonds, and no assurances can be given that a secondary market will exist for the 2021 Series H Intermediate Lien Bonds during the Forward Delivery Period. Purchasers of the 2021 Series H Intermediate Lien Bonds should assume that the 2021 Series H Intermediate Lien Bonds will be illiquid throughout the Forward Delivery Period. Should events occur before the 2021 Series H Intermediate Lien Bonds are issued and delivered by the Port on the Settlement Date that affect the market value of the 2021 Series H Intermediate Lien Bonds and if a secondary market in the 2021 Series H Intermediate Lien Bonds does not exist, a beneficial owner of 2021 Series H Intermediate Lien Bonds may be unable to re-sell all or a portion of the 2021 Series H Intermediate Lien Bonds held by or on behalf of that beneficial owner.

Market Value Risk. The market value of the 2021 Series H Intermediate Lien Bonds as of the Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the ratings then assigned to the 2021 Series H Intermediate Lien Bonds, the financial condition of the Port and federal income tax and other laws. The market value of the 2021 Series H Intermediate Lien Bonds as of the Settlement Date could therefore be higher or lower than the price to be paid by the initial Purchasers of the 2021 Series H Intermediate Lien Bonds and that difference could be substantial. Neither the Port nor the Underwriters make any representation as to the expected market prices of the 2021 Series H Intermediate Lien Bonds as of the Settlement Date, and the Port and the Underwriters may not refuse to deliver and purchase, respectively, the 2021 Series H Intermediate Lien Bonds by reason of general market or credit changes, except as set forth in the Forward Delivery Bond Purchase Contract. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market prices for the 2021 Series H Intermediate Lien Bonds as of the Settlement Date or thereafter or not have a materially adverse effect on any secondary market for the 2021 Series H Intermediate Lien Bonds.

Tax Treatment Risk. Subject to the additional conditions of settlement described above, a condition to the Underwriters' obligation to purchase the 2021 Series H Intermediate Lien Bonds under the Forward Delivery Bond Purchase Contract is the delivery of an opinion of Special Tax Counsel with respect to the 2021 Series H Intermediate Lien Bonds substantially in the form set forth as Appendix E to this Official Statement. During the Forward Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interpreted in a manner that might prevent Special Tax Counsel from rendering its opinion in the form set forth as Appendix E to this Official Statement, in which case the Underwriters would not be obligated to pay for and take delivery of the 2021 Series H Intermediate Lien Bonds. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the 2021 Series H Intermediate Lien Bonds for purposes of federal income taxation, Special Tax Counsel may still be able to satisfy the opinion requirements for the delivery of the 2021 Series H Intermediate Lien Bonds. In such event, the Purchasers would be required to accept delivery of the 2021 Series H Intermediate Lien Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

DESCRIPTION OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS

General

The 2021 Series H Intermediate Lien Bonds will be dated their date of delivery and will bear interest from that date at the rates set forth on the inside cover page of this Official Statement. Interest on the 2021 Series H Intermediate Lien Bonds will be payable on May 1, 2021 and semiannually on each November 1 and May 1 thereafter. The 2021 Series H Intermediate Lien Bonds will be issued in denominations of $5,000 and integral multiples thereof and will mature, subject to prior redemption, on the dates and in the principal amounts shown on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The 2021 Series H Intermediate Lien Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2021 Series H Intermediate Lien Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interests in the 2021 Series H Intermediate Lien Bonds purchased. So long as Cede & Co. is the registered owner of the 2021 Series H Intermediate Lien Bonds, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2021 Series H Intermediate Lien Bonds.

So long as Cede & Co. is the registered owner of the 2021 Series H Intermediate Lien Bonds, principal of and interest and premium, if any, on the 2021 Series H Intermediate Lien Bonds are payable by wire transfer by the Intermediate Lien Trustee, as Paying Agent, to Cede & Co., which is required, in turn, to remit such amounts to DTC's participants for subsequent disbursement to the Beneficial Owners. See APPENDIX C—"BOOK-ENTRY SYSTEM."

No Redemption Prior to Maturity

The 2021 Series H Intermediate Lien Bonds are not subject to redemption prior to maturity.

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SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS

General

All Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, are limited obligations of the Board payable solely from, and secured by a pledge and assignment of and a lien on and security interest in, Intermediate Lien Pledged Revenues, moneys and securities held from time to time by the Intermediate Lien Trustee in the funds and accounts under the Intermediate Lien Indenture (other than amounts in a Rebate Fund or any other funds and accounts established under supplemental indentures for particular series of Intermediate Lien Bonds), and earnings on Intermediate Lien Pledged Revenues and on such moneys and securities. The 2021 Series H Intermediate Lien Bonds are also secured by amounts held in certain funds and accounts established under, and, with respect to the Intermediate Lien Common Reserve Fund, provided for by the Fourth Supplemental Intermediate Lien Trust Indenture, and earnings on such funds and accounts, as further described herein. See "—Intermediate Lien Common Reserve Fund" below for a more detailed discussion of the Intermediate Lien Common Reserve Fund.

Intermediate Lien Pledged Revenues

"Intermediate Lien Pledged Revenues" are Pledged Revenues remaining after payment of (i) first, all amounts required to be paid and then due and payable under the Senior Lien Master Trust Indenture for any Senior Lien Obligation (as defined in the Senior Lien Master Trust Indenture) and (ii) second, any payment obligations then due and payable on the DBW Loans, to the extent such funds are available under their terms and the applicable law for purposes consistent with the payment of debt service on the Intermediate Lien Bonds.

"Pledged Revenues" is defined in the Senior Lien Master Trust Indenture and Intermediate Lien Master Trust Indenture as (except to the extent specifically excluded therefrom) all income, receipts, earnings, and revenues received by, held by, accrued to or entitled to be received by the Board or any successors thereto from the operation and/or ownership of the Port or any of the Port Facilities (as defined in the Senior Lien Master Trust Indenture) or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Board receives payments and from the investment of amounts held in the Port Revenue Fund, including, but not limited to, (i) rates, tolls, fees, rentals, charges, and other payments made to or owed to the Board for the use or availability of property or facilities, (ii) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Board, (iii) Net Proceeds and rental or business interruption insurance proceeds, and (iv) amounts held in the Port Revenue Fund. Pledged Revenues also include such additional revenues, if any, as are designated as Pledged Revenues under the terms of any supplemental indenture to the Senior Lien Master Trust Indenture. The following are specifically excluded under the Senior Lien Master Trust Indenture and the Intermediate Lien Master Trust Indenture from the definition of Pledged Revenues: (i) any amounts received by the Board from the imposition of ad valorem taxes; (ii) gifts, grants, Passenger Facility Charges ("PFCs"), and Customer Facility Charges that are restricted by their terms to purposes inconsistent with the payment of debt service on the Senior Lien Bonds; (iii) insurance proceeds to the extent the use of such proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Senior Lien Bonds; and (iv) Special Facilities Revenue (as defined under "—Special Obligations; Other Financial Obligations").

All Senior Lien Bonds are payable solely from, and secured by a pledge and assignment of and a lien on and security interest in, Pledged Revenues. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST

INDENTURE—Grant to Secure the Intermediate Lien Bonds; Pledge of Intermediate Lien Pledged Revenues" for a more complete description of the pledge, lien on and security interest in the Intermediate Lien Pledged Revenues securing the Intermediate Lien Bonds. See also APPENDIX B-2—"SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE—Grant to Secure the Senior Lien Bonds; Pledge of Pledged Revenues" for a more complete description of the pledge, lien on, and security interest in, the Pledged Revenues.

THE 2021 SERIES H INTERMEDIATE LIEN BONDS ARE NOT A DEBT, LIABILITY, OR OBLIGATION OF THE CITY OF OAKLAND, THE STATE OF CALIFORNIA, OR ANY PUBLIC AGENCY THEREOF (OTHER THAN THE BOARD TO THE EXTENT OF THE INTERMEDIATE LIEN PLEDGED REVENUES). THE FAITH AND CREDIT, THE TAXING POWER AND PROPERTY OF ANY OF THE AFOREMENTIONED PUBLIC ENTITIES (OTHER THAN THE BOARD TO THE EXTENT OF THE INTERMEDIATE LIEN PLEDGED REVENUES) ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE 2021 SERIES H INTERMEDIATE LIEN BONDS. THE 2021 SERIES H INTERMEDIATE LIEN BONDS ARE LIMITED OBLIGATIONS OF THE BOARD PAYABLE SOLELY FROM AND SECURED BY INTERMEDIATE LIEN PLEDGED REVENUES AND THE AMOUNTS HELD IN, AND EARNINGS ON EACH OF THE, CERTAIN FUNDS AND ACCOUNTS SPECIFIED IN THE INTERMEDIATE LIEN MASTER TRUST INDENTURE. THE BOARD HAS NO POWER OF TAXATION.

Intermediate Lien Common Reserve Fund

The Fourth Supplemental Intermediate Lien Trust Indenture provides that the 2021 Series H Intermediate Lien Bonds shall be secured, on a parity basis with all other Intermediate Lien Common Reserve Fund Bonds (as defined below), by the common debt service reserve fund (the "Intermediate Lien Common Reserve Fund") created under the First Supplemental Intermediate Lien Trust Indenture (the "First Supplemental Trust Indenture"), dated as of October 1, 2007, between the Board and the Intermediate Lien Trustee. The provisions of the First Supplemental Trust Indenture relating to the Intermediate Lien Common Reserve Fund are incorporated into the Fourth Supplemental Intermediate Lien Trust Indenture.

The Intermediate Lien Common Reserve Fund is held by the Intermediate Lien Trustee for the benefit of any series of Intermediate Lien Bonds that the Board elects to be secured by the Intermediate Lien Common Reserve Fund pursuant to the applicable Supplemental Intermediate Lien Indenture (the "Intermediate Lien Common Reserve Fund Bonds"). The Existing Intermediate Lien Bonds are all Intermediate Lien Common Reserve Fund Bonds, and upon the issuance of the 2021 Series H Intermediate Lien Bonds, the Intermediate Lien Common Reserve Fund will secure all currently-Outstanding Intermediate Lien Bonds. Other Intermediate Lien Bonds issued in the future will not have any claim on amounts held in the Intermediate Lien Common Reserve Fund unless the Board elects such Intermediate Lien Bonds to be Intermediate Lien Common Reserve Fund Bonds. The 2021 Series H Intermediate Lien Bonds will not have any claim on amounts held in any other debt service reserve funds for other Intermediate Lien Bonds issued in the future that are not designated as Intermediate Lien Common Reserve Fund Bonds. The Intermediate Lien Common Reserve Fund will secure the Intermediate Lien Common Reserve Fund Bonds without preference, priority, or distinction as to any Intermediate Lien Common Reserve Fund Bond over any other Intermediate Lien Common Reserve Fund Bond, except as to the timing of payment of the Intermediate Lien Common Reserve Fund Bonds.

The Intermediate Lien Common Reserve Fund is generally required to be funded in an amount equal to the Intermediate Lien Common Reserve Fund Requirement, which equals the least of (a) the Average Annual Debt Service (as defined herein) for all Intermediate Lien Common Reserve Fund Bonds then Outstanding, (b) Maximum Aggregate Annual Debt Service (as defined herein) for all Intermediate Lien Common Reserve Fund Bonds then Outstanding, or (c) 10% of the proceeds at their respective original issuance of all Intermediate Lien Common Reserve Fund Bonds of each Series then Outstanding. Upon issuance of the 2021 Series H Intermediate Lien Bonds, the Intermediate Lien Common Reserve Fund Requirement will be $45,749,770.

The Intermediate Lien Common Reserve Fund Requirement is subject to adjustment upon any principal payment (scheduled or unscheduled), redemption or defeasance of any Intermediate Lien Common Reserve Fund Bonds, including the 2021 Series H Intermediate Lien Bonds, provided that the adjusted Intermediate Lien Common Reserve Fund Requirement cannot exceed the Intermediate Lien Common Reserve Fund Requirement immediately preceding such principal payment (scheduled or unscheduled), redemption or defeasance. The Intermediate Lien Common Reserve Fund Requirement is further subject to adjustment upon issuance of any additional Intermediate Lien Common Reserve Fund Bonds in the future. However, if the then applicable Intermediate Lien Common Reserve Fund Requirement would require moneys to be credited to the Intermediate Lien Common Reserve Fund in excess of the maximum amount permitted under the Code (as defined herein) to be then funded from the proceeds of tax-exempt bonds, the Intermediate Lien Common Reserve Fund Requirement will be an amount equal to the sum of the Intermediate Lien Common Reserve Fund Requirement immediately preceding the issuance of the new Intermediate Lien Common Reserve Fund Bonds and the maximum amount permitted under the Code to be then funded from the proceeds of such Intermediate Lien Common Reserve Fund Bonds.

Moneys or instruments held in the Intermediate Lien Common Reserve Fund are intended to be used to pay principal of and interest on the Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds) in the event that other available moneys are insufficient. The Intermediate Lien Common Reserve Fund may be drawn upon if the amount in the debt service fund for any Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds) is insufficient to pay in full any principal or interest then due on such Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds). Moneys held in the Intermediate Lien Common Reserve Fund may also be used to make any deposit required to be made to the rebate funds created for the Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds) if the Board does not have other funds available from which such deposit can be made.

If moneys have been withdrawn from the Intermediate Lien Common Reserve Fund or a payment has been made under one or more Reserve Fund Insurance Policies constituting all or a portion of the Intermediate Lien Common Reserve Fund, and deposited into one or more Debt Service Funds for Intermediate Lien Common Reserve Fund Bonds to prevent a default on the applicable Intermediate Lien Common Reserve Fund Bonds, then the Board will pay to the Intermediate Lien Trustee, from Intermediate Lien Pledged Revenues, but only as provided in the Intermediate Lien Indenture, the full amount so withdrawn, together with interest, if any, required under the terms of such Reserve Fund Insurance Policies, or so much as shall be required to restore the Intermediate Lien Common Reserve Fund to the Intermediate Lien Common Reserve Fund Requirement and to pay such interest, if any. Such repayment shall be made in 12 substantially equal monthly installments each due on the first Business Day of the month commencing with the first month after such withdrawal occurs.

The Board may, in lieu of a deposit of cash or securities, obtain one or more Reserve Fund Insurance Policies. A Reserve Fund Insurance Policy may be an insurance policy, letter of credit, qualified surety bond, or other financial instrument. Each Reserve Fund Insurance Policy shall equally secure all Intermediate Lien Common Reserve Fund Bonds on a pro rata basis until the termination of such policy. Any such Reserve Fund Insurance Policy must, at the time of its issuance, either extend to the final maturity of any Intermediate Lien Common Reserve Fund Bonds then secured by the Intermediate Lien Common

Reserve Fund or the Board must agree to replace such Reserve Fund Insurance Policy prior to its expiration with cash or one or more new Reserve Fund Insurance Policy or Policies.

Upon expiration or termination of any Reserve Fund Insurance Policy prior to the payment in full or deemed payment in full of all Intermediate Lien Common Reserve Fund Bonds, the Board is required to either provide one or more substitute Reserve Fund Insurance Policies that extend to the final maturity of the Intermediate Lien Common Reserve Fund Bonds or provide cash if the value of the Intermediate Lien Common Reserve Fund is less than the Intermediate Lien Common Reserve Fund Requirement following such expiration or termination, in an amount sufficient to increase the value of the Intermediate Lien Common Reserve Fund to the Intermediate Lien Common Reserve Fund Requirement following such expiration or termination. No assurance can be given that the Port will be able to obtain a replacement Reserve Fund Insurance Policy or provide such cash at the time of such termination or expiration.

The Intermediate Lien Trustee shall annually, on or about July 1 of each year, and at such other times as the Board or any municipal bond insurer of the other Intermediate Lien Common Reserve Fund Bonds shall deem appropriate, value the Intermediate Lien Common Reserve Fund on the basis of the market value thereof. For purposes of determining the amount on deposit in the Intermediate Lien Common Reserve Fund, any Reserve Fund Insurance Policies or guaranteed investment contracts held by, or the benefit of which is available to, the Intermediate Lien Trustee as security for the Intermediate Lien Common Reserve Fund Bonds shall be deemed to be a deposit in the face amount of the policy or the stated amount or par value of the credit facility or the guaranteed investment contract provided, except that, if the amount available under a Reserve Fund Insurance Policy (or Reserve Fund Insurance Policies) or the guaranteed investment contract (or guaranteed investment contracts) has been reduced in accordance with its terms and such amount has not been reinstated nor another Reserve Fund Insurance Policy (or Reserve Fund Insurance Policies) or guaranteed investment contract (or guaranteed investment contracts) provided, then in valuing the Intermediate Lien Common Reserve Fund, the value of such Reserve Fund Insurance Policy or guaranteed investment contract shall be reduced accordingly. If, upon any valuation, the value of the Intermediate Lien Common Reserve Fund exceeds the Intermediate Lien Common Reserve Fund Requirement, the excess amount shall be withdrawn and paid to the Board for deposit into the Port Revenue Fund; provided that no Event of Default then exists under the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture. If the value is less than the Intermediate Lien Common Reserve Fund Requirement, the Board shall replenish such amounts within 12 months from available Intermediate Lien Pledged Revenues after payment of principal of and interest due on any Intermediate Lien Bonds in accordance with the Intermediate Lien Indenture.

When all of the Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds) are paid in full or are deemed to be paid in full in accordance with the Intermediate Lien Master Trust Indenture, moneys in the Intermediate Lien Common Reserve Fund may be used to pay the final installments of principal of and interest on the Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds), and otherwise may be withdrawn and transferred to the Board to be used for any lawful purpose, but only upon receipt by the Intermediate Lien Trustee of an opinion of tax counsel to the effect that the purpose for which such funds are to be used is lawful and will not adversely affect the exclusion of interest on any Intermediate Lien Common Reserve Fund Bonds (including the 2021 Series H Intermediate Lien Bonds) from gross income of the recipients thereof for federal income tax purposes.

The Debt Service Reserve Surety Policy issued by MBIA Insurance Corporation, which is now administered by National Public Finance Guarantee Corporation as the Surety Provider, on deposit in the Intermediate Lien Common Reserve Fund will remain in full force and effect after issuance of the 2021 Series H Intermediate Lien Bonds. Such Debt Service Reserve Surety Policy has a term expiring on November 1, 2029 (or such earlier date on which the Port has made all payments required to be made on all Intermediate Lien Common Reserve Fund Bonds), and while in effect, will satisfy the Board's obligation to fund up to $36,453,135.93 of the Intermediate Lien Common Reserve Fund Requirement. The remainder of the Intermediate Lien Common Reserve Fund Requirement will be funded with proceeds of the 2021 Series H Intermediate Lien Bonds. See APPENDIX B-3—"DEBT SERVICE RESERVE SURETY POLICY FOR INTERMEDIATE LIEN COMMON RESERVE FUND" for a description of the Debt Service Reserve Surety Policy and its provider.

Rate Covenant

As of the date of this Official Statement, the Board has covenanted in the Intermediate Lien Indenture, so long as any Intermediate Lien Bond is outstanding, to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection with the Port so that in each Fiscal Year:

(i) Net Revenues will be equal to at least 1.10 times the actual debt service becoming due on outstanding Intermediate Lien Bonds and all Permitted Prior Lien Obligations in such year, less (A) amounts paid from the proceeds of other borrowings, (B) debt service paid in such year from Capitalized Interest, and (C) the amount of any security pledged to particular Intermediate Lien Bonds or Permitted Prior Lien Obligations that will be available for debt service payment in addition to the Intermediate Lien Pledged Revenues or to the Pledged Revenues (as applicable) for such year in accordance with the relevant Supplemental Intermediate Lien Indenture or the relevant Supplemental Senior Lien Indenture (as applicable); and

(ii) Pledged Revenues will be at least sufficient to pay (W) principal of and interest on the Intermediate Lien Bonds and all Permitted Prior Lien Obligations due in such year, reduced by the amount of any security pledged for such debt service payment in addition to the Intermediate Lien Pledged Revenues or Pledged Revenues (as applicable) during the year as set forth in the relevant Supplemental Intermediate Lien Indenture or Supplemental Senior Lien Indenture (as applicable), (X) all other payments required under the Intermediate Lien Master Trust Indenture, as amended and supplemented (including deposits to any reserve fund, including the Intermediate Lien Common Reserve Fund), (Y) all other payments necessary to meet ongoing legal obligations of the Port payable from Pledged Revenues at that time, and (Z) all current Operation and Maintenance Expenses (as defined in the Intermediate Lien Master Trust Indenture).

A breach of these covenants by the Board, however, will not constitute an Event of Default under the Intermediate Lien Indenture if the Board takes certain remedial actions prescribed in the Intermediate Lien Indenture within 360 days of discovering such breach. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Rate Covenant."

Under the provisions described above in clause (i)(C) under the caption "Rate Covenant," the Port may apply pledged amounts not included in Intermediate Lien Pledged Revenues and Pledged Revenues to offset debt service for purposes of the rate covenant.

"Net Revenues" means, for any given period, the Revenues for such period less the Operation and Maintenance Expenses for such period. "Revenues" means the operating revenues and interest income of the Board, for any given period, as determined in accordance with generally accepted accounting principles, as modified from time to time, but excluding (i) Special Facilities Revenue (as defined in APPENDIX B-1) and (ii) any amounts paid to the Board pursuant to a Qualified Swap (as defined in APPENDIX B-1). "Operation and Maintenance Expenses" means, for any given period, the total operation and maintenance expenses of the Board as determined in accordance with generally accepted accounting principles as modified from time to time, excluding any operation and maintenance expenses payable from moneys other than Pledged Revenues. See "—Special Obligations; Other Financial Obligations" for a discussion of Special Facilities Revenue.

The Fourth Supplemental Intermediate Lien Trust Indenture includes certain amendments to the Intermediate Lien Master Trust Indenture that relate to the Board's rate covenant described in clause (i) above. In order to have the debt service coverage ratio established by such covenant more accurately reflect the Port's operating condition and cash flows, the Fourth Supplemental Intermediate Lien Trust Indenture will revise the definition of "Operation and Maintenance Expenses" to exclude from such term, in addition to any operation and maintenance expenses paid from moneys other than Intermediate Pledged Revenues, as in the current version of the definition, any operation and maintenance expenses paid from subsidies or grants awarded by or received from federal governmental entities or agencies that do not constitute "Revenues" (that is, operating revenues). As a result of this change, operation and maintenance expenses that are paid from such federal subsidies or grants would not have to be deducted from Revenues to determine Net Revenues for purposes of this covenant, thereby increasing the Port's Net Revenues and the debt service coverage ratio calculated in accordance with this covenant. In particular, the Port anticipates using approximately $4.6 million of the $44.7 million that has been allocated to the Port under the CARES Act (as defined here) to pay aviation-related operating expenses in Fiscal Year 2021, and this change to the definition of "Operation and Maintenance Expenses" will mean that such expenses paid from such CARES Act funds will not have to be deducted from Revenues when determining Net Revenues for purposes of this covenant, nor will operation and maintenance expenses paid from any similar federal grant funds that may be received by the Port in the future. For further information regarding the allocation of funds to the Port under the CARES Act, see "THE PORT OF OAKLAND—Aviation—Airport Operating Revenues—Impact of COVID-19 on Airport Revenues" herein. The Fourth Supplemental Intermediate Lien Trust Indenture will further amend the rate covenant by providing that if any portion of debt service in an applicable year is paid from subsidies or grants awarded by or received from federal governmental entities or agencies that do not constitute "Revenues" (that is, operating revenues), that amount of debt service can be deducted from the actual debt service included in this covenant calculation, along with any debt service paid from the proceeds of other borrowings, Capitalized Interest, or other security pledged to the Intermediate Lien Bonds or Senior Lien Bonds in addition to Intermediate Lien Pledged Revenues or Pledged Revenues. This change would allow the Port to exclude debt service paid from such subsidies or grants from the debt service component of this calculation, thereby increasing the debt service coverage ratio calculated in accordance with this covenant. For example, the Port issued commercial paper and used the proceeds thereof (i.e., the proceeds of "other borrowings" for purposes of the rate covenant) to pay aviation-related debt service in Fiscal Year 2021, and the Port anticipates repaying that commercial paper with CARES Act funds that have been allocated to the Port. The amount of debt service paid with the proceeds of the Port's commercial paper borrowing can be excluded from the Port's debt service for purposes of calculating the rate covenant under the current covenant language, but under the language of the rate covenant as it will be amended in the Fourth Supplemental Intermediate Lien Trust Indenture, the Port will also be able to exclude debt service paid directly from government grant funds, such as CARES Act funds, from the rate covenant calculation even without having to undertake "other borrowings" to make initial payments on such debt service. Finally, the Fourth Supplemental Intermediate Lien Trust Indenture also amends the language of the rate covenant to more clearly provide that the exclusions for operation and maintenance expenses and debt service paid from federal grants or subsidies, as described above, also apply when the rate covenant is calculated prospectively (e.g., at the beginning of a Fiscal Year with respect to that Fiscal Year), as long as the Port expects to pay such expenses and debt service from such sources during the applicable Fiscal Year. This change clarifies that the Port is permitted to align its rate covenant calculations with budgeted receipt and use of awarded grant funds, although the applicable funds may not have been actually received or paid at the time of prospective calculation of the rate covenant. The cumulative effect of these revisions will be to increase the Port's debt service coverage ratio in future years to the extent portions of operation and maintenance expenses or debt service payments are payable from sources other than operating revenues. For further information about amendments to the Intermediate Lien Master Trust Indenture, see "AMENDMENTS TO INTERMEDIATE LIEN MASTER TRUST INDENTURE" below. Similar changes are anticipated to be made to the Senior Lien Indenture pursuant to the Sixteenth Supplemental Senior Lien Trust Indenture.

The Port's ability to increase Revenues in the near term is limited by the competitive nature of the Port's businesses, the nature of the various agreements and arrangements the Port has with various tenants and customers, and federal statutes governing the use of airport revenues and the establishment of the rates and charges charged to airlines as described below under the heading "THE PORT OF OAKLAND—Aviation—Airline Agreements and Rate Setting" (the "Airline Rates and Charges"). For a summary of the Port's historical and projected debt service coverage, see "PORT FINANCES—Debt Service Coverage"; however, due to the revisions to the debt service coverage calculation set forth in the Fourth Supplemental Intermediate Lien Trust Indenture, future coverage numbers will not be directly comparable to historical numbers.

Flow of Funds Under the City Charter

The application of the Port's revenues is governed by certain provisions of the Charter. Under Section 717(3) of the Charter, all income and revenue from the operation of the Port or from Port Facilities, of whatever kind or nature, and all net income from leases or any other source of income or revenue, is to be deposited in a special fund in the City Treasury designated as the "Port Revenue Fund." Under Section 717(3), all moneys in the Port Revenue Fund must be applied in the following order and priority:

> First, to pay principal of and interest on, as the same become due and payable, any or all general obligation bonds of the City issued for Port purposes, but only to the extent required by the Constitution of the State or otherwise as determined by resolution of the Board (no general obligation bonds are outstanding);
>
> Second, to pay the principal of and interest on revenue bonds, or other evidence of indebtedness payable solely from revenues in accordance with the Charter, which are due or become due during the Fiscal Year in which the revenues are received or are to be received, together with reserve fund payments, sinking fund payments or similar charges in connection with such revenue bonds due or to become due in such Fiscal Year, including all payments required to be made pursuant to the terms of any resolution authorizing the issuance of revenue bonds, or required by the terms of the contract created by or upon the issuance of revenue bonds;
>
> Third, to pay all costs of maintenance and operation of the facilities from or on account of which such money was received, together with general costs of administration and overhead allocable to such facilities;
>
> Fourth, to defray the expenses of any pension or retirement system applicable to the employees of the Board;
>
> Fifth, for necessary additions, betterments, improvements, repairs or enlargements of any facilities, and, to the extent determined by a resolution or resolutions of the Board, for replacement, renewals or reconstruction of any facilities;
>
> Sixth, to establish and maintain reserve or other funds to insure the payment on or before maturity of any or all general obligation bonds of the City issued for any facility under the control

of the Board, but only to the extent required by the Constitution of the State or otherwise as determined by resolution of the Board;

Seventh, to establish and maintain reserve or other funds to insure the payment on or before maturity of any or all revenue bonds of the Board;

Eighth, to establish and maintain such other reserve funds pertaining to the facilities of the Board as determined by a resolution or resolutions of the Board; and

Ninth, for transfer to the General Fund of the City, to the extent that the Board determines that surplus moneys exist in such fund which are not then needed for any of the above purposes.

The payment of the Permitted Prior Lien Obligations, the Intermediate Lien Bonds (including the 2017 Intermediate Lien Bonds), and commercial paper notes ("CP Notes") falls within the second category listed above, in descending order of priority with respect to payment from Pledged Revenues, pursuant to their respective trust indentures.

There are currently no outstanding general obligation bonds of the City issued for Port purposes and the Board has covenanted in the Senior Lien Master Trust Indenture that it will not adopt a resolution permitting the use of Pledged Revenues to pay debt service on the City's general obligation bonds and will not issue obligations payable from or secured by a pledge of or lien on Pledged Revenues senior to that of the Senior Lien Bonds, but such covenant is not made for the benefit of, nor is it enforceable by, the holders of the Intermediate Lien Bonds. The Board has also covenanted in the Intermediate Lien Master Trust Indenture not to issue or incur any obligations payable from or secured by a pledge of or lien on Intermediate Lien Pledged Revenues prior to that of the Intermediate Lien Bonds except for the Senior Lien Bonds and the DBW Loans. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Grant to Secure the Intermediate Lien Bonds; Pledge of Intermediate Lien Pledged Revenues" and APPENDIX B-2—"SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE—Senior Lien Obligations Prohibited."

The Charter may be amended by a majority vote of the City's electorate, however, the ability of the electorate to impair the security of the 2021 Series H Intermediate Lien Bonds through such an amendment would be limited by existing State and federal law, including protections against impairment of contracts.

Permitted Prior Lien Obligations

Under the terms of the Intermediate Lien Indenture, the Board must satisfy certain debt service coverage requirements on an ongoing basis including debt service coverage requirements with respect to Senior Lien Bonds, DBW Loans and Intermediate Lien Bonds. However, the Intermediate Lien Master Trust Indenture does not require the Board to meet any particular debt service coverage or other requirement at the time of issuing additional Senior Lien Bonds. The terms of the Intermediate Lien Master Trust Indenture require the Board to satisfy certain debt service coverage and other requirements at the time of incurring additional DBW Loans. APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Requirements for Additional Permitted Prior Lien Obligations."

As of November 1, 2020, the Senior Lien Bonds were outstanding in the aggregate principal amount of \$606,165,000, and DBW Loans were outstanding in the aggregate principal amount of \$3,325,867. However, as described above, the Port marketed, concurrently with the marketing of the 2021 Series H Intermediate Lien Bonds, \$343,755,000 in aggregate principal amount of the 2020 Series R Senior Lien Bonds. Following the anticipated issuance of the 2020 Series R Senior Lien Bonds and the refunding of the Refunded Series P Bonds on or about December 3, 2020, the Port will have a total of \$635,060,000 of Senior Lien Bonds outstanding, of which a portion will constitute Refunded Series O Bonds to be refunded with proceeds of the 2021 Series H Intermediate Lien Bonds. In addition, the Port plans to apply a portion of the 2020 Series R Senior Lien Bonds to retire the entire outstanding amount of the DBW Loans. Therefore, if such issuance is completed as anticipated, no DBW Loans will remain outstanding following issuance of the 2020 Series R Senior Lien Bonds. All of the currently outstanding Senior Lien Bonds, and the new 2020 Series R Senior Lien Bonds, if issued, mature or would mature on or before May 1, 2033. There can be no assurance as to whether the Board will proceed to issue or incur more Permitted Prior Lien Obligations in the future or as to whether the amount of such additional Permitted Prior Lien Obligations will exceed the Port's current expectations.

Additional Senior Lien Bonds

The Board is not subject to any Charter or other statutory limitations on the amount of revenue debt it can issue, nor is it required to seek voter approval for the issuance of revenue debt. The Board has covenanted in the Senior Lien Indenture not to issue obligations payable from or secured by a pledge of or lien on Pledged Revenues senior to that of the Senior Lien Bonds, but such covenant is not made for the benefit of, nor is it enforceable by, the holders of the Intermediate Lien Bonds.

Subject to certain limitations specified in the Senior Lien Indenture, the Board may issue additional Senior Lien Bonds ("Additional Senior Lien Bonds") payable from and secured by an equal pledge of and lien on Pledged Revenues and other security under the Senior Lien Master Trust Indenture, on parity with all other Senior Lien Bonds. Additional Senior Lien Bonds may include, without limitation, bonds, notes, bond anticipation notes, commercial paper, and other instruments creating an indebtedness of the Board, obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation in such agreements.

Generally, as of the date of this Official Statement, Additional Senior Lien Bonds may be issued only if there is delivered to the Senior Trustee:

(a) a certificate prepared by an Authorized Board Representative showing that the Net Revenues for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Series of Additional Senior Lien Bonds or the first Additional Senior Lien Bonds of a Program were at least equal to 125% of Maximum Annual Debt Service for all Senior Lien Bonds which will be Outstanding and Senior Lien Bonds which will be Authorized immediately after the issuance of the proposed Series of Additional Senior Lien Bonds or Implementation of such Program; or

(b) a certificate prepared by a Consultant (as defined in the Senior Lien Indenture) showing that:

(1) the Net Revenues for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Series of Additional Senior Lien Bonds or the first issuance of Senior Lien Bonds constituting part of a Program were at least equal to 125% of Maximum Annual Debt Service for all Senior Lien Bonds Outstanding and Senior Lien Bonds Authorized immediately preceding the issuance of the proposed Series of Additional Senior Lien Bonds or the Implementation of such Program;

(2) for each Fiscal Year during the period from the date of delivery of such certificate until the latest Estimated Completion Date (as defined in the Senior Lien Master Trust Indenture), the Consultant estimates that the Board will be in compliance with rate covenant provisions in the Senior Lien Master Trust Indenture; and

(3) the estimated Net Revenues for each of the three Fiscal Years immediately following the last Estimated Completion Date for the Specified Projects to be financed with proceeds of such Additional Senior Lien Bonds, as certified to the Consultant by an Authorized Board Representative, will be at least equal to 125% of Maximum Annual Debt Service for all Senior Lien Bonds which will be Outstanding and all Senior Lien Bonds which will be Authorized after the issuance of such proposed Additional Senior Lien Bonds or the Implementation of such Program.

The Sixteenth Supplemental Senior Lien Trust Indenture will amend the requirements of the certificate described in clause (a) above to provide that the applicable Net Revenues may be calculated for any 12 consecutive months out of the 24 preceding consecutive months, rather than out of the 18 preceding consecutive months, thereby making it more likely that this test will be able to be satisfied. This change is consistent with the requirements for the issuance of additional Intermediate Lien Bonds under the Intermediate Lien Indenture. See "AMENDMENTS TO SENIOR LIEN MASTER TRUST INDENTURE" below.

Neither certification is required, however, in the case of the issuance of Senior Lien Bonds to refund Outstanding Senior Lien Bonds, if Maximum Annual Debt Service for all Senior Lien Bonds Outstanding or Authorized in each of the Fiscal Years after the issuance of the refunding bonds will not exceed Maximum Annual Debt Service in such Fiscal Years on all Senior Lien Bonds Outstanding or Authorized prior to such issuance, and in certain other limited circumstances. For definition of capitalized terms used above and for additional detail on the tests the Board must meet to issue Additional Senior Lien Bonds, including information that the Consultant may take into account in preparing its certificate, see APPENDIX B-2—"SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE."

The Board may decide to issue Additional Senior Lien Bonds (or Additional Intermediate Lien Bonds) at any time, including without limitation, in connection with financing new capital projects, refundings for savings or for other business purposes, provided the requirements for doing so, as described above, are satisfied.

DBW Loan. To finance the renovation of the Jack London Square marinas, the Port obtained a loan from the California Department of Boating and Waterways in an authorized amount of up to $7.2 million, bearing interest at a rate of 4.5% per annum (the "Outstanding DBW Loan"). As of November 1, 2020, the principal amount of the Outstanding DBW Loan outstanding was $3,325,867, all of which amount is anticipated to be repaid with proceeds of the 2020 Series R Senior Lien Bonds. The final maturity of the Outstanding DBW Loan is August 1, 2029, and the Outstanding DBW Loan may be accelerated upon an event of default. With respect to right of repayment from Pledged Revenues, the Outstanding DBW Loan is subordinate to the Senior Lien Bonds but senior to the Intermediate Lien Bonds and the CP Notes described in "—Subordinated Obligations" below. The Board may incur additional DBW Loans in the future after satisfying certain debt service coverage requirements. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Requirements for Additional Permitted Prior Lien Obligations" and APPENDIX B-2—"SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE—Subordinated Obligations."

Additional Intermediate Lien Bonds

Subject to certain limitations specified in the Intermediate Lien Indenture, the Board may issue additional Intermediate Lien Bonds ("Additional Intermediate Lien Bonds"). Additional Intermediate Lien Bonds may include, without limitation, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Board, obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation in such agreements.

Generally, Additional Intermediate Lien Bonds may be issued only if there is delivered to the Intermediate Lien Trustee (a) a certificate prepared by an Authorized Board Representative showing that the Net Revenues for any 12 consecutive months out of the 24 consecutive months immediately preceding the issuance of the proposed Series of Additional Intermediate Lien Bonds or the Intermediate Lien Bonds of a Program were at least equal to 110% of Maximum Annual Debt Service for all Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans which will be Outstanding and all of the Intermediate Lien Bonds and the Senior Lien Bonds which will be Authorized immediately after the issuance of the proposed Series of Additional Intermediate Lien Bonds or Implementation of such Program, or (b) a certificate prepared by a Consultant (as defined in the Intermediate Lien Master Trust Indenture) showing that (1) for each Fiscal Year during the period from the date of delivery of such certificate until the latest Estimated Completion Date for the Specified Projects to be financed with proceeds of such Intermediate Lien Bonds, the Consultant (as defined in the Intermediate Lien Master Trust Indenture) estimates that the Board will be in compliance with rate covenant provisions in the Intermediate Lien Master Trust Indenture and (2) the estimated Net Revenues for each of the three Fiscal Years immediately following the last Estimated Completion Date for the Specified Projects to be financed with proceeds of such Intermediate Lien Bonds will be at least equal to 110% of Maximum Annual Debt Service for all Intermediate Lien Bonds, Senior Lien Bonds and DBW Loans that will be Outstanding and all of the Intermediate Lien Bonds and Senior Lien Bonds that will be Authorized after the issuance of such proposed Series of Additional Intermediate Lien Bonds or the Implementation of such Program.

Additional Intermediate Lien Bonds may also be issued under the Intermediate Lien Master Trust Indenture on a parity with the 2021 Series H Intermediate Lien Bonds and any other Intermediate Lien Bonds (x) for the purpose of refunding such Intermediate Lien Bonds or any outstanding Permitted Prior Lien Obligations, provided that the Intermediate Lien Trustee receives a certificate of an Authorized Board Representative showing that Maximum Annual Debt Service on all Outstanding and authorized Permitted Prior Lien Obligations and Intermediate Lien Bonds after the issuance of the refunding Intermediate Lien Bonds will not exceed Maximum Annual Debt Service on all Permitted Prior Lien Obligations and Intermediate Lien Bonds then Outstanding prior to the issuance of such refunding Intermediate Lien Bonds; (y) if the Intermediate Lien Bonds being issued constitute Intermediate Lien Notes (as defined herein) provided that the Authorized Board Representative delivers a certificate to the Intermediate Lien Trustee showing that the aggregate principal amount of the proposed Intermediate Lien Notes, together with the principal amount of any Intermediate Lien Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the 24 months immediately preceding the issuance of the proposed Intermediate Lien Notes, and the Board will be in compliance with rate covenant provisions in the Intermediate Lien Master Trust Indenture; and (z) for the purpose of paying costs of completing a Project for which Permitted Prior Lien Obligations or Intermediate Lien Bonds have previously been issued or incurred, provided that the principal amount of such Intermediate Lien Bonds being issued for completion does not exceed an amount equal to 15% of such original indebtedness for such Project and the Intermediate Lien Trustee receives certain certificates from an Authorized Board Representative and a Consultant to the Board regarding the use of funds from the previously issued indebtedness and the cost estimate, nature and function of such project. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—DEFINITIONS" AND "—THE INTERMEDIATE

LIEN MASTER TRUST INDENTURE—Additional Intermediate Lien Bonds" for the definitions of capitalized terms used in this paragraph and for additional detail on the tests the Board must meet to issue Additional Intermediate Lien Bonds, including information that the Consultant (as defined in the Intermediate Lien Master Trust Indenture) may take into account in preparing its certificate.

The Board is not subject to any Charter or other statutory limitations on the amount of revenue debt it can issue, nor is it required to seek voter approval for the issuance of revenue debt. The Board has covenanted in the Intermediate Lien Master Trust Indenture not to issue any obligations payable from or secured by a pledge of or lien on Intermediate Lien Pledged Revenues prior to that of the 2021 Series H Intermediate Lien Bonds and other Intermediate Lien Bonds, except for the Permitted Prior Lien Obligations. The terms of the Intermediate Lien Master Trust Indenture do not restrict the Board's ability to issue or obtain additional Permitted Prior Lien Obligations as described above under "– Permitted Prior Lien Obligations – Additional Senior Lien Bonds." Issuance of Additional Senior Lien Bonds are subject to the certain financial and other requirements under the Senior Lien Master Trust Indenture. The Intermediate Lien Master Trust Indenture requires that the Board must satisfy certain debt service coverage requirements prior to incurring additional DBW Loans. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE TRUST INDENTURE—Requirements for Additional Permitted Prior Lien Obligations."

The Board may decide to issue Additional Intermediate Lien Bonds (or Additional Senior Lien Bonds) at any time, including without limitation, in connection with financing new capital projects, refundings for savings or for other business purposes, provided the requirements for doing so, as described above, are satisfied.

Repayment Obligations and Swap Payments

Under certain circumstances described in APPENDIX B-1 – "SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Repayment Obligations" and "—Obligations Under Qualified Swap" and APPENDIX B-2— "SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE—Repayment Obligations" and "—Obligations Under Qualified Swap," the obligation of the Board to reimburse the provider of a Credit Facility or a Liquidity Facility (a "Repayment Obligation") and to make scheduled swap payments in connection with a Qualified Swap may be secured by a pledge of and lien on Pledged Revenues on parity with the Senior Lien Bonds, or by a pledge of and lien on Intermediate Lien Pledged Revenues on parity with the Intermediate Lien Bonds, including the 2012 Series H Intermediate Lien Bonds, depending on whether such obligations relate to the Senior Lien Bonds or the Intermediate Lien Bonds. The Port currently has no Repayment Obligations outstanding and has not entered into (and does not owe any amounts under) any Qualified Swaps.

Subordinated Obligations

The Board is also permitted under the Intermediate Lien Master Trust Indenture to issue or incur obligations secured by a lien on Intermediate Lien Pledged Revenues that is subordinate and junior in right of payment to the lien on Intermediate Lien Pledged Revenues securing the 2021 Series H Intermediate Lien Bonds and all other Intermediate Lien Bonds ("Subordinated Obligations"). Certain existing Subordinated Obligations of the Board are described below.

Commercial Paper. The Port established a commercial paper program in 1998 to provide moneys to pay, among other things, a portion of the costs of the acquisition, construction, reconstruction, improvement, and expansion of the Port's facilities. The Port has used, and expects to continue using, its commercial paper program to provide funding for the Port's current five-year Capital Improvement Plan ("CIP") and for certain other purposes, including as described above under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant," for the purpose of paying debt service. To date, the Board has authorized the issuance of CP Notes in a principal amount not to exceed $300 million outstanding at any one time. As described below, the Port has letters of credit in place supporting a total aggregate principal amount of up to $200 million of CP Notes. As of November 1, 2020, approximately $75.6 million principal amount of CP Notes was outstanding. The Port expects to issue $38.9 million additional CP Notes periodically over the five-year forecast period of its Fiscal Year 2021 Budget, and to make principal payments of $85.8 million, thereby decreasing the overall commercial paper balance to $28.7 million by the end of Fiscal Year 2025. The Port plans to apply CARES Act grants to redeem CP Notes issued for the purpose of paying aviation share of revenue bond debt service shortly after payment is made to bondholders. See "RATE COVENANT." The Port has also considered issuing Senior Lien Bonds or Intermediate Lien Bonds in the next several years for the purpose of paying down the outstanding amount of CP Notes, but no assurance can be given as to whether or when the Port will elect to conduct such an issuance.

Payment on up to $200 million aggregate principal amount of CP Notes is currently supported by two separate direct pay letters of credit from Bank of America, N.A., with one supporting up to $150 million aggregate principal amount of CP Notes and the other supporting up to $50 million aggregate principal amount of CP Notes (collectively, the "CP Letters of Credit"). Both CP Letters of Credit will expire in June 2023.

The Port's payment obligations with respect to CP Notes and the CP Letters of Credit are payable solely from "Available Pledged Revenues," which are defined in the CP Indentures to mean Pledged Revenues after payment therefrom (1) first, of all amounts required to be paid and then due and payable under the Senior Lien Indenture for principal, interest, reserve fund, and any other debt service requirements or related obligations on the Senior Lien Bonds, and (2) second, any debt service requirements then due and payable on the DBW Loans and all amounts required to be paid and then due and payable under any indenture or agreement of the Board providing for the issuance or incurrence of indebtedness secured by Pledged Revenues on a basis that is subordinate to the Senior Lien Bonds and senior to the CP Notes for principal, interest, reserve fund, and any other debt service requirements or related obligations on any such indebtedness, including the Intermediate Lien Bonds (collectively, the "Subordinate Revenue Bonds").

In certain circumstances, including, among others, the downgrade of the unenhanced ratings on the Intermediate Lien Bonds below "BBB" by S&P, "BBB" by Fitch, or "Baa2" by Moody's or the withdrawal or suspension of the rating of the Intermediate Lien Bonds by any of such rating agencies, the banks providing a CP Letter of Credit can prevent the Board from issuing additional CP Notes. As of the date of this Official Statement, the Existing Intermediate Lien Bonds were rated "A", "A2", and "A" by S&P, Moody's, and Fitch, respectively. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell, or hold the Intermediate Lien Bonds. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the same. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, or any of them, if, in their or its judgment, circumstances so warrant.

In the event of certain defaults under the Board's current agreements with the bank, including payment defaults, Port or City bankruptcy and invalidity of the agreements with the bank (collectively, "Acceleration Defaults"), the bank may declare any obligations of the Board to reimburse draws under its CP Letter of Credit immediately due and payable.

Under the current agreements with the bank, any amounts payable to the bank with respect to the CP Notes and the CP Letters of Credit (or related agreements between the Board and the bank), including amounts due because of an Acceleration Default, shall be due and payable only from and to the extent of Available Pledged Revenues, and then only to the extent that the Board would have remaining Net Revenues in its then-current Fiscal Year equal to at least 100% of the actual debt service and other obligations (other than capitalized interest) yet to become due and payable on the outstanding Senior Lien Bonds, DBW Loans, and Subordinate Revenue Bonds in such Fiscal Year. The amendments to the Intermediate Lien Indenture to be effectuated through the Fourth Supplemental Intermediate Lien Trust Indenture will likely have the effect of increasing the amount of Net Revenues for purposes of this calculation. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant." If, because of such limitation (the "Payment Limitation"), the Board does not pay the full amounts due to the banks in any Fiscal Year, such unpaid amounts shall be continuing obligations of the Board to the banks to be paid in subsequent Fiscal Years, subject, in each year, to the Payment Limitation.

The terms of future letters of credit and related agreements supporting the Port's commercial paper program will differ, and may differ materially, from the terms of the Board's current CP Letters of Credit and related agreements, except that, in any event, the Board's payment obligations with respect to CP Notes shall be payable solely from Available Pledged Revenues.

Other Subordinated Obligations. Pursuant to the Intermediate Lien Master Trust Indenture, the Board also has the ability to issue other types of Subordinated Obligations. In addition to the CP Notes, the Board in the future may undertake a variety of other direct and indirect financial and contractual obligations payable from Intermediate Lien Pledged Revenues that are subordinate in right of payment to all Intermediate Lien Bonds. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE THIRD SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Subordinated Obligations."

Purchase of Bonds

For a variety of purposes, including to provide flexibility with respect to the Port's use of assets financed with tax-exempt bonds, the Port may, from time-to-time, purchase and cancel or defease Senior Lien Bonds or Intermediate Lien Bonds by purchase of such Senior Lien Bonds or Intermediate Lien Bonds on the open market.

Special Obligations; Other Financial Obligations

The Board may designate a separately identifiable existing facility or a planned facility as a "Special Facility" and may incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing to a third party to acquire, construct, renovate, or improve such facility. Subject to certain conditions, the Board may provide that all income and revenues derived by the Board from such Special Facility will constitute "Special Facilities Revenue" and will not be included as Pledged Revenues or Intermediate Lien Pledged Revenues. The designation of an existing facility as a Special Facility could therefore result in a reduction in Pledged Revenues or Intermediate Lien Pledged Revenues. Indebtedness incurred by the Board to provide financing to a third party with respect to the Special Facility as described above will constitute a "Special Obligation" and will be payable solely from the Special Facilities Revenue. No Special Obligations are currently outstanding, although the Board has incurred Special Obligations in the past and may do so again in the future. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN

MASTER TRUST INDENTURE—Special Facilities and Special Obligations" for a further discussion of Special Facilities and Special Facilities Revenue and the conditions that must be satisfied in order for the Port to incur Special Obligations and provide for such obligations to be secured by a designated stream of Special Facilities Revenue.

Pursuant to the Senior Lien Master Trust Indenture and the Intermediate Lien Master Trust Indenture, the Port also has the ability to incur indebtedness secured by a lien on sources of security other than Pledged Revenues or Intermediate Lien Pledged Revenues, such as PFCs and Customer Facilities Charges. Such additional sources of security, including PFCs and Customer Facilities Charges, may also provide supplemental security for one or more series of Senior Lien Bonds, Intermediate Lien Bonds, or other obligations in the future. See APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE INTERMEDIATE LIEN MASTER TRUST INDENTURE—Special Facilities and Special Obligations"

Other Funds and Accounts

Debt Service Fund. For a description of the Debt Service Fund established for the 2021 Series H Intermediate Lien Bonds and certain other funds and accounts created by the Fourth Supplemental Intermediate Lien Trust Indenture, see APPENDIX B-1—"SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE—Establishment of Funds."

Port Bond Reserve Fund. In 1989, the Board adopted a resolution establishing a Port Bond Reserve Fund (the "Port Bond Reserve Fund") to be used, first, to ensure timely payment of debt service on all outstanding revenue bonds of the Port, and, second, to fund emergency capital expenditures or extraordinary operating and maintenance expenses. The Port Bond Reserve Fund is an internal fund of the Port funded with Port revenues (not bond proceeds) and is separate from the reserve funds (including the Senior Lien Common Reserve Fund) established under the Senior Lien Master Trust Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Intermediate Lien Common Reserve Fund" above. Funds may be released from the Port Bond Reserve Fund only upon the recommendation of the Port's Chief Financial Officer and the approval of the Board. On November 19, 1996, the Board adopted a resolution providing that the amount in the Port Bond Reserve Fund shall be equal to and not exceed $30 million. The Board is currently in compliance with such requirement. The current Port Bond Reserve Fund policy provides that such fund is to be used, first, to ensure timely payment of debt service on all outstanding indebtedness of the Port, and, second, to fund emergency capital expenditures or extraordinary operating and maintenance expenses.

The funds in the Port Bond Reserve Fund are not pledged to debt service payments on the Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, or on the Senior Lien Bonds. The Board is not obligated under the Intermediate Lien Master Trust Indenture or the Senior Lien Master Trust Indenture to maintain the Port Bond Reserve Fund, and the Port Bond Reserve Fund could be revised or eliminated at any time by the Board. Since its inception, the Port has not drawn on the funds in the Port Bond Reserve Fund to make debt service payments or for any other expenditures.

Operating Reserve Fund. The Board established an operating reserve fund (the "Operating Reserve Fund") within the Port Revenue Fund, which is to be funded in an amount equal to 12.5% of the Port's approved annual operating expense budget (the "Operating Reserve Requirement") for the applicable year. The Port's Chief Financial Officer may withdraw funds from the Operating Reserve Fund for unanticipated working capital requirements of the Port, subject to any other applicable requirements of the

Board. While the funds held in the Operating Reserve Fund may not be directly available for debt service payments on the Senior Lien Bonds, the Port may use such funds to pay for its operating costs, making other funds available for its debt service obligations. The Port's Chief Financial Officer must inform the Board (i) quarterly on the status of the Operating Reserve Fund and (ii) whenever the Operating Reserve Fund falls below the Operating Reserve Requirement for the applicable year. The balance of the Operating Reserve Fund as of November 1, 2020 was approximately $29.4 million and satisfied the Operating Reserve Requirement.

The funds in the Operating Reserve Fund are not pledged to debt service payments on the Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, or on the Senior Lien Bonds. The Board is not obligated under the Intermediate Lien Master Trust Indenture or the Senior Lien Master Trust Indenture to maintain the Operating Reserve Fund. The Operating Reserve Fund could be revised or eliminated at any time by the Board.

Capital Reserve Fund. The Board established a Capital Reserve Fund within the Port Revenue Fund equal to and not to exceed $15 million. The Port's Chief Financial Officer may withdraw funds from the Capital Reserve Fund for the following purposes: (i) to pay principal of and interest on indebtedness of the Port in the event that debt service reserve funds and revenues of the Port are insufficient to pay such principal and interest then due and owning by the Port; (ii) for extraordinary capital improvements following approval of a project or a contract by the Board; and (iii) for extraordinary operating and/or maintenance expenditures of the Port as approved by the Board.

The funds in the Capital Reserve Fund are not pledged to debt service payments on the Intermediate Lien Bonds, including the 2021 Series H Intermediate Lien Bonds, or on the Senior Lien Bonds. The Board is not obligated under the Intermediate Lien Indenture or the Senior Lien Indenture to maintain the Capital Reserve Fund. The Capital Reserve Fund could be revised or eliminated at any time by the Board.

Prospective Bond Insurance

The scheduled payment of principal of and interest on all or a portion of the 2021 Series H Intermediate Lien Bonds may be guaranteed under a financial guaranty insurance policy.

AMENDMENTS TO INTERMEDIATE LIEN MASTER TRUST INDENTURE

The Fourth Supplemental Intermediate Lien Trust Indenture provides for amendments to the Intermediate Lien Master Trust Indenture, which amendments shall become effective, without necessity for any further action by the Board or by any other entity, at such time as the holders of at least 51% of the aggregate principal amount of the Intermediate Lien Bonds then-Outstanding have consented (or have been deemed to have consented) to such amendments and certain other conditions have been satisfied. By purchase of any 2021 Series H Intermediate Lien Bonds, the holders of such 2021 Series H Intermediate Lien Bonds shall be deemed to have received notice of amendments to the Intermediate Lien Master Trust Indenture and consented to such amendments. Following the issuance of the 2021 Series H Intermediate Lien Bonds, the holders of the 2021 Series H Intermediate Lien Bonds will hold more than 51% of the aggregate principal amount of the Intermediate Lien Bonds Outstanding, and therefore the requisite bondholder consent will have been obtained. See "REFUNDING PLAN." The Port also anticipates satisfying all other conditions to the effectiveness of such amendments concurrently with or prior to the issuance of the 2021 Series H Intermediate Lien Bonds, and therefore the amendments are expected to become effective upon the issuance of the 2021 Series H Intermediate Lien Bonds.

The amendments to the Intermediate Lien Master Trust Indenture are intended to clarify the intent of certain provisions of the Intermediate Lien Master Trust Indenture and to provide flexibility to the Board with respect to certain covenants. The amendments consist of the following:

Rate Covenant. The Fourth Supplemental Intermediate Lien Trust Indenture will include certain amendments to the Board's rate covenant that may increase the debt service coverage ratio calculated under such covenant. For further discussion of the particular amendments to the Board's rate covenant included in the Fourth Supplemental Intermediate Lien Trust Indenture, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant" above.

Rating Agencies. The definition of "Rating Agency" in the Intermediate Lien Master Trust Indenture will be expanded to include, in addition to Standard & Poor's, Moody's Investors Service, and Fitch Ratings, also and any other nationally recognized statistical rating organization identified as such by the United States Securities and Exchange Commission (the "SEC") with respect to municipal securities. The Intermediate Lien Indenture requires that certain defeasance investments and other investments under the Intermediate Lien Indenture have certain ratings from one or more "Rating Agencies," as defined in the Intermediate Lien Indenture. This amendment is intended to provide flexibility to the Board in the event that any of the previously-listed rating agencies cease to operate or that new nationally recognized statistical rating organizations are available.

DEBT SERVICE SCHEDULE

Table 5 sets forth the debt service schedule for the 2021 Series H Intermediate Lien Bonds, the Permitted Prior Lien Obligations and the Existing Intermediate Lien Bonds.

For information about historical and projected debt service coverage with respect to the Senior Lien Bonds, Outstanding DBW Loan, and Intermediate Lien Bonds, see "PORT FINANCES—Debt Service Coverage—Historical Debt Service Coverage." However, due to the revisions to the debt service coverage calculation set forth in the Fourth Supplemental Intermediate Lien Trust Indenture and the Sixteenth Supplemental Senior Lien Trust Indenture, as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant," future coverage numbers will not be directly comparable to historical numbers.

TABLE 5
PORT OF OAKLAND
PERMITTED PRIOR LIEN OBLIGATIONS,
EXISTING INTERMEDIATE LIEN BONDS AND
2021 SERIES H INTERMEDIATE LIEN BONDS DEBT SERVICE SCHEDULE

Fiscal Year (ending June 30)	Debt Service On Permitted Prior Lien Obligations[1]	Debt Service on Existing Intermediate Lien Bonds	Principal of 2021 Series H Intermediate Lien Bonds	Interest on 2021 Series H Intermediate Lien Bonds	Total Debt Service
2021	$55,071,020	$27,196,910	--	$2,249,846	$84,517,776
2022	40,298,232	16,483,399	$16,450,000	9,100,500	82,332,131
2023	38,426,394	18,360,208	17,270,000	8,278,000	82,334,602
2024	28,116,458	28,668,975	18,135,000	7,414,500	82,334,933
2025	28,111,205	28,675,393	19,040,000	6,507,750	82,334,348
2026	31,900,953	24,874,848	20,000,000	5,555,750	82,331,550
2027	29,628,720	27,470,893	20,995,000	4,555,750	82,650,363
2028	39,107,888	17,675,655	22,045,000	3,506,000	82,334,543
2029	38,534,801	18,243,368	23,150,000	2,403,750	82,331,918
2030	39,145,130	17,643,078	24,925,000	623,125	82,336,332
2031	57,960,434	--	--	--	57,960,434
2032	29,624,439	--	--	--	29,624,439
2033	24,456,294	--	--	--	24,456,294
Total[2]	$480,381,968	$225,292,725	$182,010,000	$50,194,971	$937,879,663

[1] Listed debt service amounts reflect: (i) the refunding of the Refunded Series O Bonds and issuance of the 2020 Series R Senior Lien Bonds, the refunding of the Refunded Series P Bonds, and repayment of the Outstanding DBW Loan; (ii) debt service on the Refunded Series P Bonds and the DBW Loan prior to the refunding and defeasance of such Refunded Series P Bonds and repayment of the DBW Loan with the proceeds of the 2020 Series R Senior Lien Bonds on or about December 3, 2020, and (iii) debt service on the Refunded Series O Bonds prior to the refunding and defeasance of such Refunded Series O Bonds with the proceeds of the 2021 Series H Intermediate Lien Bonds on or about February 2, 2021.
[2] Totals may not add due to rounding.

THE PORT OF OAKLAND

The Port manages three lines of business: Aviation, Maritime, and Commercial Real Estate. Total Port operating revenues were approximately $375.9 million for Fiscal Year 2020. Of this $375.9 million, the Aviation Division generated approximately 49.6%, the Maritime Division generated approximately 46.0%, and the Commercial Real Estate Division generated approximately 4.4%. See "PORT FINANCES."

The Port's fiscal year runs from July 1 through June 30. Therefore, the Port's operational and financial results for Fiscal Year 2020 reflect approximately four months of impacts from the COVID-19 pandemic and from measures to combat the spread of the virus, which impacts began to be felt materially in the United States in March 2020. For a discussion of the impacts of the pandemic on the Airport, see "—Aviation— Activity at the Airport—Impact of COVID-19 on Airport Operations" and "—Aviation—Airport Operating Revenues—Impact of COVID-19 on Airport Revenues" below. For a discussion of the impacts of the pandemic on the Seaport, see "—Maritime—Activity at the Seaport—Impact of COVID-19 on Seaport Operations" and "—Maritime—Seaport Operating Revenues—Impact of COVID-19 on Seaport Revenues" below. See also "INVESTOR CONSIDERATIONS— COVID-19 Related Matters." For a discussion of the impacts of the pandemic on the Port's Commercial Real Estate Division, see "THE PORT OF OAKLAND—Commercial Real Estate—Commercial Real Estate Revenues—Impact of COVID-19 on Commercial Real Estate."

The City has operated harbor facilities to serve waterborne commerce since its incorporation in 1852. The City has operated an airport since 1927. Exclusive control and management of the Port Area, which includes the Seaport and the Airport, were delegated to the Board in 1927 by an amendment to the Charter.

The Board has complete and exclusive power over the Port Area, all of the Port's facilities and property, real and personal, all income and revenues of the Port, and proceeds of all bond sales initiated by the Board for Seaport or Airport improvements or for any other purposes. Under the Charter, the Port is an independent department of the City.

The Board has the power under the Charter to fix, alter, change, or modify the rates, tolls, fees, rentals and charges for the use of the Port's facilities and any services provided in connection with the Port's facilities. A substantial portion of the Port's revenues are governed by lease, use, license, and other agreements with the Port's tenants and customers of the Port's three lines of business. As further described herein, the Port has only a limited ability to increase revenues under certain of those agreements during their respective terms. Furthermore, all Port properties are subject to the tidelands trust restriction described under "PORT FINANCES—Tidelands Trust Properties."

Port Management

The Board. As provided in the Charter, the Board consists of seven members appointed to four-year staggered terms by the City Council upon nomination by the Mayor of the City. Members of the Board must be residents of the City and serve without compensation. Board members may be removed from office only for cause and by the affirmative vote of six of the eight members of the City Council. Table 6 lists the current members of the Board, with each Board member's principal occupation, term commencement date, and the expiration date of the current term being served.

TABLE 6
PORT OF OAKLAND
BOARD OF PORT COMMISSIONERS

Name	Occupation	Service Commenced	Term ends (July 10) [(1)]
Andreas Cluver, President	Secretary-Treasurer of the Alameda County Building Trades Council	February 2016	2024
Barbara Leslie, First Vice President	President and CEO of the Oakland Metropolitan Chamber of Commerce	December 2018	2021
Yui Hay Lee, Second Vice President	President and CEO of YHLA Architects	October 2018	2022
Cestra Butner, Commissioner	Former President, CEO & Owner of Horizon Beverage Company	August 2012	2023
Michael Colbruno, Commissioner	Partner Milo Group	July 2013	2021
Arabella Martinez, Commissioner	Retired; Founder & Former CEO of the Unity Council in Oakland	February 2016	2024
Joan H. Story, Commissioner	Attorney; Partner, Sheppard Mullin Richter & Hampton, LLP	July 2015	2023

(1) If reappointment or replacement by formal action of the Mayor and City Council for a Commissioner whose terms is expiring does not occur by the expiration date of the current term, the Commissioner whose term has expired continues in office in a holdover status until such reappointment or replacement, as provided in the Charter.

Senior Port Management. The overall operations and administration of the Port is led by the Port's Executive Director. The Chief Financial Officer, the Chief Operating Officer, and the Directors of Maritime, Aviation, and Commercial Real Estate report directly to the Executive Director. The Port

Attorney and the Executive Director report directly to the Board. The senior management staff of the Port are set forth below.

Danny Wan became the Executive Director in November 2019. Mr. Wan is responsible for the overall activities of the Port and is responsible for carrying out the policies of the Board. Prior to being appointed to the Executive Director position, Mr. Wan had served as the Port Attorney since December 2012. As Port Attorney, Mr. Wan was responsible for advising the Port on a broad range of legal affairs that arose in the conduct of the Port's maritime, aviation, and commercial real estate businesses. Prior to that appointment, Mr. Wan was the City Attorney and Risk Manager for the City of Morgan Hill, California and served as part of that city's executive management team. From 2004 to 2008, Mr. Wan served as Deputy Port Attorney with the Port, being primarily responsible for land use, environmental regulatory compliance, City Charter compliance, and inter-agency agreements. Prior to that position, Mr. Wan was an Oakland City Council member; he also worked in private law practice, specializing in municipal finance and securities disclosure. Mr. Wan received his Bachelor of Arts in Rhetoric from the University of California, Berkeley and his Juris Doctor from the University of California, Los Angeles School of Law.

Bryant L. Francis became Director of Aviation in March 2016. His responsibilities include managing all aspects of the Airport, including operations, facilities, marketing, properties, security, and planning and development. Mr. Francis is a 20-year veteran in aviation management. Before joining the Port, he served as the Executive Director of Long Beach Airport in California and prior to that position, Director of Airports for the Shreveport Airport Authority in Louisiana. He also served in senior management positions at Boise Airport, Detroit Metropolitan Airport, and Palm Springs International Airport. He began his career at Hartsfield-Jackson Atlanta International Airport. Mr. Francis is on the Board of Directors of the Airports Council International – North America and the Diversity Committee Chair for the American Association of Airport Executives. He received a Bachelor of Science in Aviation Management from Embry-Riddle Aeronautical University.

Bryan Brandes was appointed Maritime Director in June 2020. His responsibilities include managing all aspects of the Seaport, including operations, marketing, properties, security, and planning and development. Mr. Brandes' career spans 25 years in the maritime industry, having previously served in senior leadership positions for Maersk Line and APM Terminals, CMA CGM, and FlexiVan Leasing. During his tenure at CMA CGM, he oversaw the operations of 20 terminals at five U.S. West Coast ports and was responsible for interfacing with alliance partners, port authorities, various port customers and users, and regulatory agencies. Mr. Brandes earned a Bachelor of Science degree in Finance from San Diego State University and an MBA in Finance and Strategy from the Peter F. Drucker School of Management at Claremont Graduate School.

Pamela Kershaw became Director of Commercial Real Estate in May 2012, having served as Acting Director of Commercial Real Estate since January 2010. She has been at the Port for more than 20 years. Ms. Kershaw is responsible for managing a diverse commercial real estate portfolio of over 100 tenant agreements. Ms. Kershaw has over 30 years of experience working for various public agencies in the Bay Area in the field of land planning, real estate, and development. Ms. Kershaw is also a member of various professional associations and community organizations including the American Planning Association and the Urban Land Institute; she is a past member of the Landmarks Preservation Advisory Board in Oakland and a current board member of the Oakland Metropolitan Chamber of Commerce. Ms. Kershaw has a Bachelor of Arts in Urban Geography from the University of California, Berkeley and a Master in Public Administration from California State University, Hayward.

Julie Lam became the Port's Acting Chief Financial Officer in March 2020. She has overall responsibilities for overseeing the Port's financial management, budgeting, strategy and planning, accounting, reporting, and controls. In addition, she is responsible for human resources, risk management, purchasing and enterprise resource planning. Previously, Ms. Lam was the Port's Controller for more than seven years overseeing the accounting and reporting, payroll, accounts receivable, grants, and accounts payable teams. Prior to joining the Port, Ms. Lam was an Accounting and Treasury Manager for M. Arthur Gensler Jr. & Associates, Inc. Ms. Lam received her Bachelor of Science in Business Administration with an emphasis in accounting and a minor in economics from the University of San Francisco.

Kristi McKenney was named Chief Operating Officer ("COO") at the Port in February 2020. As the COO, she oversees Port operations with responsibility for engineering services, environmental programs and planning, utilities and information technology. Before receiving the COO title, Ms. McKenney had been Assistant Director of Aviation at the Airport since 2014. Ms. McKenney received her Bachelor of Science degree in aeronautics from San Jose State University, and a Master of Science degree in civil engineering from the University of California, Berkeley.

Michele Heffes was appointed Port Attorney in December 2019. Prior to that, she served as Interim Port Attorney, Acting Port Attorney, Assistant Port Attorney, Deputy Port Attorney, and in other capacities at the Port for more than 32 years. As the Port's chief legal officer, Ms. Heffes provides advice to the Board, its officers and employees relating to the broad range of legal affairs that arise in the conduct of the Port's businesses. Prior to being appointed Port Attorney, Ms. Heffes's legal practice at the Port focused on environmental, insurance, real estate, and law practice management. Ms. Heffes received a Bachelor of Science degree in nuclear engineering from the University of California, Berkeley and a Juris Doctor degree from the University of San Francisco.

Employees and Labor Relations

The Port has 515 full time equivalent employees budgeted for Fiscal Year 2021. The Port shares a common Civil Service system with the City. Port employees are either assigned to "classified" Civil Service positions or are specifically exempted from the Civil Service system by the City Charter or by Resolution of the City's Civil Service Board.

Ninety-six percent of the Port employees are members of one of the four recognized employee organizations at the Port: Service Employees International Union, Local 1021 ("SEIU") (approximately 208 clerical/administrative and maintenance/operations employees); Western Council of Engineers ("WCE") (approximately 41 professional engineers, scientists, and planners); International Brotherhood of Electrical Workers, Local 1245 ("IBEW") (approximately 35 supervisors and forepersons); and International Federation of Professional & Technical Engineers, Local 21 ("IFPTE") (approximately 150 management and administrative employees). The remaining 4%, or approximately 17 full time equivalent positions, including senior management and certain legal and human resources staff, are not represented by an employee organization. The current Memorandum of Understanding ("MOU") with each employee organization expires on June 30, 2022. See "INVESTOR CONSIDERATIONS—Potential Labor Activity."

Aviation

Overview. The Airport is one of three major commercial airports serving the nine-county San Francisco/Oakland/San Jose metropolitan area (the "Bay Area"), which is the 3rd largest air travel market in the United States according to the U.S. Department of Transportation, Origin and Destination Survey, (as of December 2019) (the "US DOT O&D Survey"). Although the Airport primarily serves the East Bay counties of Alameda and Contra Costa, it also serves the greater Bay Area. The Airport competes with two other Bay Area airports, San Francisco International Airport ("SFO") and the Norman Y. Mineta San Jose

International Airport ("SJC"). See "—Activity at the Airport—Competition" below and APPENDIX G—"ECONOMIC AND DEMOGRAPHIC INFORMATION."

In Fiscal Year 2020, the Airport served approximately 4.7 million enplaned passengers (passengers boarding at the Airport). According to the US DOT O&D Survey available for the twelve-month period ending June 30, 2020, approximately 83.4% of passengers served at the Airport were origin-destination passengers – those who begin or end their trip at the Airport. This contrasts with airports that are served primarily by airlines that maintain "hub and spoke" networks that generate much higher percentages of connecting passengers who start or finish their trips at other locations.

In Fiscal Year 2020, the Airport accommodated approximately 91,000 scheduled revenue passenger airline operations (take-offs and landings), approximately 101,000 general aviation operations and approximately 24,000 revenue air cargo operations (including express shipping, freight and mail) that carried approximately 623,000 tons of cargo. In calendar year 2019, the Airport ranked 39th in the United States in terms of enplaned passengers, and 11th in the United States and third in California in terms of air cargo landed weight, based on 2019 preliminary data from the FAA Passenger Boarding (Enplanement) and All-Cargo Data for U.S. Airports.

In general, there is not a direct correlation between activity at the Airport and Aviation Division revenues due to the Airport's methodology for establishing Airline Rates and Charges. However, activity levels affect PFCs, concessions, rental car, parking, and ground transportation revenues, as well as long-term demand for the Port's facilities, airlines' cost per enplanement, and the financial condition of the Port's aviation tenants, and therefore of the Port. Air carriers make payments to the Port under the Board's rates and charges ordinance as described under the subheading "—Airline Agreements and Rate Setting – Rate Setting" below. For more information about the Aviation Division's revenues, see "—Airport Operating Revenues" and "—Airline Agreements and Rate Setting." For additional information about factors that may affect the Aviation Division, see "—Activity at the Airport—Competition," "INVESTOR CONSIDERATIONS—Uncertainties of the Aviation Industry," "—Competitive Considerations at the Airport." For certain economic and demographic information related to the Bay Area, see APPENDIX G—"ECONOMIC AND DEMOGRAPHIC INFORMATION."

In Fiscal Year 2020, the Aviation Division generated approximately 49.6% ($186.6 million) of the Port's total operating revenues. Approximately 49.4% of the Aviation Division's operating revenues in Fiscal Year 2020 were derived from terminal rentals paid by passenger airlines and by landing fees paid by passenger and air cargo airlines, and corporate and general aviation ("GA") aircraft. Other major sources of Aviation operating revenues in Fiscal Year 2020 included parking, rental car and ground access revenues (22.2%), lease rentals (18.0%), and concession revenues (3.8%). The balance of the Aviation Division's operating revenues was derived from fueling, utility sales, non-airline terminal revenues, and other miscellaneous revenues.

Airport Facilities. The Airport's facilities consist generally of terminal facilities, airfield facilities, air cargo facilities, business aviation and GA facilities, parking facilities, curbsides, a consolidated rental car facility, and maintenance facilities. Capital projects at the Airport's facilities are discussed under "CAPITAL PLANNING AND CAPITAL PROJECTS – Projects in the CIP—Aviation Projects in the CIP." The diagram on the following page shows the current layout of the Airport.

OAKLAND INTERNATIONAL AIRPORT

Passenger Terminals. The Airport's commercial passenger terminal complex consists of two terminal buildings with approximately 570,000 gross square feet of space and 29 gates, equipped with loading bridges and joined by a post-security connector corridor. In 2017, the Port completed a renovation and retrofit of a portion of Terminal 1 and upgrades for the International Arrivals Building to provide expanded primary processing and baggage claim to accommodate the growing international service at OAK.

Airfield. The Airport has a fully instrumented 10,000 foot main commercial runway (Runway 12/30), that is long enough to accommodate all types of currently existing commercial passenger and air cargo aircraft. This runway primarily serves air carrier operations and business jet departures. In addition, there are three runways of 6,212 feet (Runway 10R/28L), 5,454 feet (Runway 10L/28R) and 3,372 feet (Runway 15/33) used primarily for business aviation and GA purposes. This segregation of traffic enhances safety, optimizes the use of airfield capacity, and allows for Runways 10R/28L and 10L/28R to serve as alternatives to the Airport's main commercial runway in the event the main commercial runway is unavailable due to an incident or maintenance.

Cargo Facilities. Federal Express ("FedEx") and United Parcel Service ("UPS") operate major air cargo facilities at the Airport. The Airport houses FedEx's West Coast / Asia Pacific hub for its express package operations, which is among the seven largest FedEx hubs worldwide. FedEx operates an approximately 320,000 square foot domestic sorting facility and an approximately 100,000 square foot international clearance station along with adjacent aircraft apron on approximately 75.5 acres pursuant to a single lease, which expires on December 31, 2036. UPS occupies an approximately 49,000 square foot facility, where it conducts daily-containerized loading activities to and from its aircraft, pursuant to a month-to-month lease. UPS maintains a nearby off-Airport sort facility that is located on Port property. Other significant tenants of the cargo buildings include Southwest Airlines, Alaska Airlines, and DAL Global Services.

Fixed Based Operator Facilities. Two fixed base operators ("FBOs"), Signature Flight Support ("Signature"), and KaiserAir, Inc. ("KaiserAir") serve local, national, and international GA, corporate, and dignitary customers with full-service facilities at the Airport, including hosting the operations of JSX, an independent, public charter (Part 135), regional airline, since November 2017. FBOs provide fueling, maintenance, charter aircraft passenger services, and aircraft parking and storage on OAK's airfield and in Port-owned hangars. KaiserAir handles GA and corporate clients, and also operates its proprietary (Part 121) aircraft with weekly scheduled flights to Kona, Hawaii. The Port's lease with KaiserAir expired on January 31, 2019, with occupancy continuing on a month-to-month holdover basis. The Port is considering potentially ending such month-to-month arrangement with KaiserAir sometime in calendar year 2021 and undertaking a request for proposals ("RFP") for FBO operations on the current KaiserAir site at that time, but no assurances can be made that such an RFP will take place or that any particular arrangements will be made with respect to such facility. Signature has multiple leases with the Port expiring as late as October 2051. Signature is required to make certain capital investments pursuant to the terms of its leases and has been meeting that obligation.

Parking Facilities. The public parking facilities at the Airport can accommodate approximately 7,000 vehicles, in the Premier, Hourly, Daily and Economy parking lots. However, due to decreased passenger demand resulting from the COVID-19 pandemic, the Airport's Economy parking lot, consisting of 1,933 spaces, has been closed since April 2020. It is expected to reopen when passenger demand for originating flights at the Airport would justify doing so. In addition to the public parking spaces, there are approximately 1,700 non-public parking spaces in various lots located at the Airport for use by Airport, airline, tenant, government, and vendor/contractor staff. There are also various off-Airport parking facilities operated by private companies that serve passengers using the Airport. However, several of these facilities have closed, either permanently or temporarily, as a result of reduced passenger activity at the

Airport due to the COVID-19 pandemic. Following certain of these closures, as of September 2020 there were approximately 3,000 off-Airport private parking spaces available to service Airport passengers but such number may increase or decrease unpredictably as the COVID-19 pandemic continues and eventually concludes. Competition from off-Airport parking has a significant impact on on-Airport parking demand and revenue. For a discussion of parking revenues, see "—Airport Operating Revenues—Parking and Ground Access."

The parking facilities at the Airport are currently operated by LAZ Parking Oakland Airport, LLC ("LAZ") pursuant to a management contract that expires January 31, 2021, with two 1-year extension options at the Port's sole discretion. Currently, the management contract with LAZ provides that the Port receives all parking revenues, except for operational costs, a fixed management fee, and a possible additional incentive fee that could be earned based on meeting certain parking marketing and operational metrics.

Other Major Facilities. Other major facilities include: two executive GA terminals, which are used by the FBOs, as discussed further under the heading ("—Fixed Base Operator Facilities" above); a consolidated rental car facility (including maintenance and vehicle storage facilities); a provisioning center operated by Southwest Airlines; ten large aircraft hangars serving corporate and GA tenants and customers; and a number of smaller hangars used to house GA aircraft. The BART Oakland Airport Connector, which opened in November 2014, provides service between the Airport and the regional rail transit system using an automated people mover. See "—Airport Operating Revenues—Rental Car Payments and Customer Facility Charges" below, for discussion of the agreements with the rental car companies.

Activity at the Airport.

Impact of COVID-19 on Airport Operations. The COVID-19 pandemic has impacted both passenger and cargo operations at the Airport. The impact to passenger operations at the Airport has been more significant than the impact to air cargo operations. In the first seven months of Fiscal Year 2020 (i.e., through January 2020), before air travel restrictions were put in place to slow the spread of COVID-19, the Airport averaged 155 passenger aircraft departures a day by 15 marketing airlines to 54 domestic and international destinations, increasing to as many as 184 daily departures at different times in November and December 2019 and January 2020. As of October 2020, nine airlines collectively operated an average of 75 passenger aircraft departures to 31 destinations within California and across the United States and Mexico. This decline was due to passenger airlines reducing their schedules in response to lower consumer demand, including JetBlue Airways and American Airlines ceasing operations at the Airport entirely, in April 2020 and June 2020, respectively. In October 2020, there were 13 short-haul (up to 600 air-miles), 12 medium-haul (between 601 and 1,800 air-miles), and 6 long-haul (1,800 or greater air-miles) routes operating out of the Airport. In contrast, there were 16 short-haul, 19 medium-haul, and 20 long-haul routes as of October 2019.

In calendar year 2019, the Airport served approximately 13.4 million passengers, and handled approximately 645,000 tons of air cargo. For the period January through September 2020, the Airport served 3,585,245 passengers, of which 1,779,942 were enplaning passengers. In contrast, for the period January through September 2019, the Airport served 10,042,546 passengers of which 5,009,044 were enplaning passengers. This represents a decline of 64.3% (or 6.5 million passengers) and 64.5% (or 3.2 million enplaned passengers), respectively. For January and February 2020 combined, passengers were down 4.6% on a year-over-year basis. The remainder of the passenger decline occurred beginning in March 2020, coinciding with the shelter-in-place health order for Alameda County (in which the Port, including the Airport, is geographically located). In the month of April 2020, just 45,819 passengers used the Airport, which represents a decrease of 96% when compared to the same period in 2019. For the period January through September 2020, the Airport handled approximately 909,000,000 pounds of cargo, which was 3.8%

lower than in the same period in 2019. All-cargo departures have averaged 33 per day in January through August 2020 to destinations around the globe, which has not changed significantly due to the COVID-19 pandemic.

In Fiscal Year 2020, passenger activity at the Airport totaled to 9,493,637 passengers, which is 4.1 million or 30.3% less than the 13,615,771 passengers served in Fiscal Year 2019. Similar results were observed in enplaned passenger levels at the Airport in the fiscal year. Enplanements were lower by 2.1 million or 30.4% at 4,735,801 enplanements in Fiscal Year 2020 versus 6,807,835 enplanements in Fiscal Year 2019. Aircraft landed weights in Fiscal Year 2020, including both passenger and cargo, were 9,673 million pounds; a decrease of 1,724 million pounds or 15.1% from Fiscal Year 2019, when 11,398 million pounds were recorded. The Port's Fiscal Year 2021 Budget has been developed with impacts of the COVID-19 pandemic in mind. Passenger activity at the Airport is projected to ramp up gradually from the low observed in April 2020 as shelter-in-place health order restrictions are loosened or rescinded, and demand for air travel increases. Enplanements for Fiscal Year 2021 have been estimated at 3.08 million passengers, representing a 34.9% decline from actual Fiscal Year 2020 levels, respectively. Landed weights, airline seats, and parking transactions are projected to experience decreases of 16.5% (or 1.6 million pounds), 7.6% (or 0.5 million seats), and 35.1% (or 214,000 transactions), respectively, in Fiscal Year 2021 when compared to actual Fiscal Year 2020 levels. For the first three months of Fiscal Year 2021, passenger enplanements have declined 72.3% from the same period in Fiscal Year 2020 and cargo tonnage has increased 4.0%. The Port has implemented a number of operational measures in its aviation business line to address ongoing concerns and lessen the spread of COVID-19. These include:

- Installation of social distancing markers;
- Safe queuing assistance for security checkpoint lines;
- Plexiglass guards for Terminal 1 ticket counters, boarding gate counters, and Customs and Border Protection counters for international arrivals;
- Adjusted gate, seating, and staffing plans to allow social distancing within the Terminals;
- Temporary suspension of high-exposure operations while experiencing low activity volumes, including the Airport's taxi-stands, employee shuttle bus services, and operation of the Volunteer Ambassadors Program; and
- Adoption of new cleaning and disinfecting supplies and practices along with use of new supplies and equipment to assist in that effort.

The Port intends to keep these measures in place until such time as the Port determines that they are no longer necessary or appropriate, but the Port cannot predict when such a determination may be made.

Airlines Serving the Airport. As of October 2020, the Airport was served by the domestic air carriers, foreign flag carriers, regional jet carriers and all-cargo carriers listed in Table 7.

TABLE 7
PORT OF OAKLAND
AIRLINES SERVING OAKLAND INTERNATIONAL AIRPORT
(October 2020)

Domestic Air Carriers	Foreign Flag Carriers	Regional Jet Carriers	Air Cargo Carriers
Alaska Airlines[(1)]	Volaris	Horizon Air[(1)]	FedEx
Allegiant Air		SkyWest Airlines[(2)]	Redding Aero Enterprises[(3)]
Contour Airlines			United Parcel Service
Delta Air Lines			West Air[(4)]
Hawaiian Airlines			
JSX			
Southwest Airlines			
Spirit Airlines			

(1) Horizon Air and Alaska Airlines are wholly-owned subsidiaries of Alaska Air Group Inc. and operate under separate FAA operating certificates.
(2) SkyWest Airlines provides regional service for Delta Air Lines and Alaska Airlines.
(3) Redding Aero Enterprises operates cargo flights on behalf of United Parcel Service.
(4) West Air operates cargo flights on behalf of FedEx.

Passenger Service. The Airport served approximately 4.7 million enplaned passengers in Fiscal Year 2020, which represented a decrease of 30.4% from Fiscal Year 2019. From Fiscal Year 2016 through Fiscal Year 2019, enplanements grew an average of 5.4% annually, but then substantially declined in Fiscal Year 2020. The decline primarily reflects the impacts of the health and safety measures enacted in response to the COVID-19 pandemic. Between March 2020 (when Alameda County shelter-in-place orders were first enacted) and June 2020, passenger enplanements declined by a total of 1.9 million relative to the same period in the prior year. Minor declines were also recorded earlier in Fiscal Year 2020. For the fiscal year to date ending January 2020, enplanements declined 3.4% from the same eight months a year previous.

From Fiscal Year 2011 through Fiscal Year 2020, the Airport's passenger traffic volume increased 1.3%. This increase reflects, among other factors, an increase in service from both new and existing carriers operating at the Airport, including new service to the Hawaiian Islands by Alaska Airlines, Southwest Airlines, and Hawaiian Airlines, and several new routes serviced by Southwest Airlines, Spirit Airlines and Norwegian Air Shuttle. International passengers increased significantly during 2017 and 2018, including overseas service by three airlines and Mexico service on Southwest Airlines, and reached its peak in Fiscal Year 2019 at 859,876 passengers, or about 7% of total enplanements. Norwegian served OAK from May 2014 to October 2019. British Airways and Level both began service at the Airport in 2017 to compete with Norwegian, but both exited in late 2018. Mexican carrier Volaris remained the largest international carrier at OAK throughout the decade (as measured by passengers) and has continued to operate throughout the pandemic, contributing 5% of passengers in the March-August 2020 period. Volaris offers international air service between the Airport and Guadalajara, Leon, Mexico City and Morelia in Mexico. Due to the pandemic, Azores Airlines SATA has suspended its normal once weekly summer seasonal service to Terceira in the Azores for 2020 and is expected to return in summer 2021.

The Airport has served as a major west coast gateway to the Hawaiian Islands, and in mid-2019, flights to the Hawaiian Islands provided 8% of the Airport's enplanements. Southwest has operated two nonstops daily to Honolulu throughout the pandemic and the subsequent visitation restrictions and quarantine requirements by the State of Hawaii, in order to provide essential passenger and cargo service. Southwest plans to reinstate flights from OAK to the three main Hawaiian Islands other than Oahu in November 2020. Hawaiian Airlines and Alaska Airlines suspended Hawaii operations from OAK and many other West Coast airports in March 2020.

To welcome Hawaii-bound travelers, the Airport partnered with CityHealth to offer a free COVID-19 rapid testing program. The tests are available at two separate sites located at the Airport and are designed to comply with the State of Hawaii's "Safe Travels Multi-Tier Program." The Airport is the first airport to be certified by the State of Hawaii as a certified Trusted Testing and Travel Partner. CityHealth Urgent Care is responsible for administering the tests and is also certified by the State of Hawaii as a Trusted Testing and Travel Partner. A fourteen-day quarantine requirement must still be observed for travelers to Hawaii County as the county is not participating in the pre-test program.

Table 8 presents the Airport's enplaned passengers for Fiscal Years 2011 through 2020 and for the first three months of Fiscal Years 2020 and 2021. Table 9 presents monthly enplanements for the first three months of Fiscal Year 2020 and Fiscal Year 2021. For discussion of factors impacting traffic at the Airport, see "—Competition," "INVESTOR CONSIDERATIONS—Uncertainties of the Aviation Industry" and "—Competitive Considerations of the Airport."

TABLE 8
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT PASSENGER ENPLANEMENTS
FISCAL YEARS 2011 THROUGH 2020
AND FIRST THREE MONTHS OF FISCAL YEARS 2020 AND 2021

Fiscal Year	Passenger Enplanements	% Growth Rate
2011	4,687,878	--
2012	4,825,802	2.9
2013	4,973,107	3.1
2014	4,949,628	(0.5)
2015	5,374,187	8.6
2016	5,812,058	8.1
2017	6,296,349	8.3
2018	6,676,712	6.0
2019	6,807,835	2.0
2020	4,735,801	(30.4)
Compound Annual Growth Rate		
2011-2020		0.1%
	First Three Months of Fiscal Years **(July 1 – September 30)**	
2020	1,764,432	--
2021	488,986	(72.3)

TABLE 9
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
MONTHLY COMPARISON OF ENPLANED PASSENGERS
FISCAL YEARS 2020 AND 2021

Month	2020 Enplanements	2021 Enplanements	% Change From Corresponding Period in Fiscal Year 2020
July	614,020	172,085	(72.0%)
August	590,892	155,488	(73.7%)
September	559,520	161,413	(76.5%)
Total	**1,764,432**	**488,986**	**(72.3%)**

Airline Market Shares at the Airport. Tables 10 and 11 set forth the enplaned passengers (total passengers boarding at the Airport) and aircraft gross landed weights, respectively, by airline, for Fiscal Years 2016 through 2020. As shown in Table 10, Southwest Airlines was the most active carrier at the Airport, enplaning 3.50 million passengers in Fiscal Year 2020, which constitutes a market share of 73.9%. During the period of Fiscal Year 2016 to Fiscal Year 2020, Southwest's market share (based on enplanements) ranged from a low of 69.1% in Fiscal Year 2018 to the 73.9% figure recorded in Fiscal Year 2020. During such period, no other airline had a market share at the Airport greater than 6.6%, which was the combined enplanement percentage in Fiscal Year 2016 for Alaska Airlines and Horizon Air, which are wholly owned subsidiaries of Alaska Air Group Inc. and operate under separate FAA operating certificates. Risks associated with having a dominant carrier at the Airport are discussed below under "INVESTOR CONSIDERATIONS—Competitive Considerations at the Airport."

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TABLE 10
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
HISTORICAL ENPLANEMENTS BY AIRLINE
FISCAL YEARS 2016 THROUGH 2020

	2016		2017		2018		2019		2020	
Airline	**Enplanements**	**% Share[8]**	**Enplanements**	**% Share[8]**	**Enplanements**	**% Share[8]**	**Enplanements**	**% Share[8]**	**Enplanements**	**% Share[8]**
Southwest Airlines	4,029,607	69.3	4,426,131	70.3	4,614,380	69.1	4,826,391	70.9	3,500,036	73.9
Spirit Airlines	287,874	5.0	321,482	5.1	387,555	5.8	391,976	5.8	238,623	5.0
Alaska Airlines[1]	312,879	5.4	317,068	5.0	368,400	5.5	326,163	4.8	219,316	4.6
Volaris	120,053	2.1	104,199	1.7	101,590	1.5	123,060	1.8	130,417	2.8
Hawaiian Airlines	209,296	3.6	213,731	3.4	191,480	2.9	192,530	2.8	127,921	2.7
Delta Air Lines	176,980	3.0	175,698	2.8	143,913	2.2	134,193	2.0	91,355	1.9
JetBlue Airways[2]	188,106	3.2	212,481	3.4	205,423	3.1	144,781	2.1	89,224	1.9
Allegiant Air	92,752	1.6	124,594	2.0	122,750	1.8	116,615	1.7	83,347	1.8
Norwegian Air Shuttle	58,181	1.0	113,965	1.8	204,411	3.1	217,200	3.2	74,089	1.6
Skywest Airlines[4]	87,830	1.5	27,722	0.4	34,744	0.5	62,655	0.9	67,304	1.4
American[3]	104,475	1.0	109,668	1.7	117,828	1.8	135,950	2.0	50,505	1.1
Horizon Air[1]	67,320	1.2	68,630	1.1	45,415	0.7	57,743	0.8	31,456	0.7
Mesa Airlines[6]	48,992	0.8	6,017	0.1	11,793	0.2	21,024	0.3	17,029	0.4
Contour Airlines	--	--	--	--	--	--	13,732	0.2	13,085	0.3
US Airways[5]	88,311	1.5	--	--	--	--	--	--	--	--
Compass Airlines [7]	40,215	0.7	--	--	--	--	--	--	--	--
Compass Delta	--	--	56,573	0.9	63,191	0.9	18,193	0.3	--	--
Level	--	--	--	--	31,019	0.5	12,637	0.2	--	--
British Airways	--	--	9,499	0.2	25,617	0.4	8,560	0.1	--	--
Other	3,662	0.1	8,891	0.1	7,203	0.1	4,432	0.0	2,094	**0.0**
Total	**5,812,058**	**100.0%**	**6,296,349**	**100%**	**6,676,712**	**100%**	**6,807,835**	**100.0%**	**4,735,801**	**100%**

(1) Horizon Air and Alaska Airlines are wholly owned subsidiaries of Alaska Air Group Inc. and operate under separate FAA operating certificates.
(2) JetBlue Airways ceased scheduled service at the Airport in April 2020.
(3) American Airlines ceased scheduled service at the Airport in June 2020.
(4) SkyWest Airlines provides regional service for Delta Air Lines, Alaska and American Airlines (previously US Airways).
(5) US Airways merged with American Airlines in Fiscal Year 2016.
(6) Mesa Airlines provides regional service for American Airlines (previously US Airways).
(7) Compass Airlines provides regional service for Delta Air Lines.
(8) "% Share" may not sum to 100% due to rounding.

TABLE 11
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
HISTORICAL LANDED WEIGHT BY AIR CARRIER
FISCAL YEARS 2016 THROUGH 2020
(000 LBS)

	2016[10]		2017[10]		2018[10]		2019[10]		2020[10]	
Airline	**Landed Weight**	**% Share**	**Landed Weight**	**% Share**	**Landed Weight**	**% Share**	**Landed Weight**	**% Share**	**Landed Weight**	**% Share**
Southwest Airlines	4,606,226	46.8%	5,116,174	48.8%	5,286,782	46.6%	5,434,297	47.7%	4,543,776	47.0%
FedEx [1]	2,557,512	26.0	2,535,269	24.2	2,772,144	24.4	2,806,333	24.6	2,726,372	28.2%
UPS[1]	568,061	5.8	578,103	5.5	724,602	6.4	824,129	7.2	900,388	9.3%
Alaska Airlines[2]	327,960	3.3	325,439	3.1	401,362	3.5	353,686	3.1	261,199	2.7%
Spirit Airlines	297,506	3.0	341,890	3.3	413,946	3.6	384,336	3.4	243,175	2.5%
Hawaiian Airlines	317,039	3.2	317,632	3.0	282,684	2.5	227,919	2.0	156,104	1.6%
Volaris	125,956	1.3	103,147	1.0	100,506	0.9	128,048	1.1	133,803	1.4%
Norwegian Air Shuttle	81,860	0.8	168,180	1.6	309,916	2.7	326,421	2.8	115,825	1.2%
Delta Air Lines	213,468	2.2	217,762	2.1	171,993	1.5	165,278	1.5	114,713	1.2%
JetBlue Airways	215,146	2.2	264,405	2.5	265,383	2.3	175,759	1.5	114,151	1.2%
Allegiant Air	96,144	1.0	136,625	1.3	131,749	1.2	127,792	1.1	97,833	1.0%
SkyWest Airlines[3]	101,082	1.0	33,400	0.3	40,288	0.4	67,442	0.6	81,299	0.8%
American	104,475	1.0	139,472	1.3	152,893	1.3	166,474	1.5	64,061	0.7%
Horizon Air[2]	63,911	0.6	65,169	0.6	44,654	0.4	65,267	0.6	41,266	0.4%
Contour Airlines							28,311	0.2	31,243	0.3%
Mesa Airlines[4]	59,389	0.6					25,227	0.2	21,223	0.2%
West Air									13,753	0.1%
British Airways			23,000	0.2	73,600	0.6	19,780	0.2	862	0.0%
Volga-Dnepr										0.0%
Eastern Air										0.0%
Compass Delta					74,276	0.7	20,975	0.2		
Other all-cargo carriers	48,117	0.5	23,739	0.2	22,405	0.2	20,957	0.2	6,463	0.0%
Compass Airlines[5]	51,467	0.5	70,378							0.0%
Other passenger carriers[6]	9,096	0.1	24,031	0.2	35,679	0.3	11,579	0.1	5,814	0.0%
Level					47,620	0.4	17,857	0.2		0.0%
Airport Total	**9,844,415**	**100.0%**	**10,483,815**	**100.0%**	**11,352,483**	**100.0%**	**11,397,869**	**100.0%**	**9,673,324**	**100.00%**

(1) FedEx and UPS are all-cargo carriers.
(2) Horizon Air and Alaska Airlines are wholly owned subsidiaries of Alaska Air Group Inc. and operate under separate FAA operating certificates.
(3) SkyWest Airlines provides regional service for Delta Air Lines, Alaska and American Airlines (previously US Airways).
(4) Mesa Airlines provides regional service for American Airlines (previously US Airways).
(5) Compass Airlines provides regional service for Delta Air Lines.
(6) Consists of seasonal, charter and unscheduled itinerant airline activity.
(7) Virgin America merged with Alaska Airlines in Fiscal Year 2018.
(8) United Airlines ceased scheduled service at the Airport in June 2012, however, charter flights landed at the Airport thereafter.
(9) US Airways merged with American Airlines in Fiscal Year 2016.
(10) Figures may not sum to the total figures shown, due to rounding.

Air Cargo Service. Scheduled all-cargo operators at the Airport include FedEx, UPS, Redding Aero Enterprises (feeder carrier for UPS) and West Air (feeder carrier for FedEx). Passenger airlines also carry cargo. Air cargo volume, which includes both air freight and air mail, rose between Fiscal Year 2011 and Fiscal Year 2019 at an annual compound rate of 2.1%. With the onset of the COVID-19 pandemic in the latter half of Fiscal Year 2020, cargo volumes experienced a decline and the compound annual growth rate between Fiscal Year 2011 and Fiscal Year 2020 amounted to just 0.9%.

FedEx uses the Airport as one of its seven main hubs in the United States for air cargo operations and handled approximately 80% of the Airport's Fiscal Year 2020 air cargo based on tonnage. All-cargo carriers make payments to the Port under their leases with the Port and as described under "—Airline Agreements and Rate Setting" and "—Airport Operating Revenues."

Table 12 sets forth historical information regarding air cargo volumes at the Airport, including both airfreight and air mail carried by all-cargo carriers and by passenger airlines:

TABLE 12[1]
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
AIR CARGO VOLUMES
FISCAL YEARS 2011 THROUGH 2020

Fiscal Year	Tons	% Growth Rate
2011	562,302	--
2012	552,194	(1.8)
2013	543,570	(1.6)
2014	573,728	5.5
2015	594,168	3.6
2016	595,186	0.2
2017	591,560	(0.6)
2018	660,474	11.6
2019	664,910	0.7
2020	623,238	(6.3)
Compound Annual Growth Rate		
2011-2020		0.9%
First Three Months of Fiscal Years (July 1 – September 30)		
2020	155,700	
2021	162,037	4.1%

[1] Includes both airfreight and airmail by tonnage (short tons) carried by both all-cargo carriers and passenger airlines.

Competition. The San Francisco Bay Area is served by three commercial airports – OAK, SFO and SJC. According to data from the FAA Passenger Boarding (Enplanement) and All-Cargo Data for U.S. Airports, the three Bay Area airports together served approximately 42.4 million enplaned passengers in calendar year 2019. The Airport's predominately origin-destination nature means that activity levels at the Airport are closely linked to the underlying economic strength of the geographic area served by the Airport. The Airport primarily serves the East Bay counties of Alameda and Contra Costa (collectively, approximately 68% of the Airport's enplanements) and also serves the City and County of San Francisco (approximately 6% of the Airport's enplanements), the North Bay Counties of Marin, Sonoma, Napa and Solano (collectively approximately 14% of the Airport's enplanements), and various other counties farther from the Airport. All of such percentages reflect Airport enplanements for calendar year 2019. See APPENDIX G—"ECONOMIC AND DEMOGRAPHIC INFORMATION."

The Airport's high percentage of origin-destination passengers does not insulate it from competition from other Bay Area airports. The three Bay Area airports serve overlapping markets, and passengers consider more than one Bay Area airport in deciding which to use for their trips. A passenger's airport selection of a Bay Area airport depends on various factors, including but not limited to availability of flights, airfare, proximity of passengers' residence to the airport including costs of traveling to and from the airport, airport accessibility and overall reliability. In addition, airlines may shift their operations among the Bay Area airports based on factors such as industry competition, facility and operational costs, facility and equipment capacity, and market conditions. The corporate and general aviation uses compete with general aviation activities at airports in Concord, Hayward, San Francisco, Livermore, San Carlos, Palo Alto and San Jose. See "INVESTOR CONSIDERATIONS—Uncertainties of the Aviation Industry," "—Competitive Considerations at the Airport" and APPENDIX G—"ECONOMIC AND DEMOGRAPHIC INFORMATION."

The table below shows traffic share for the three Bay Area Airports for Fiscal Years 2016 through 2020.

TABLE 13[1]
BAY AREA
TRAFFIC SHARE
FISCAL YEARS 2016 THROUGH 2020

Fiscal Year	OAK	SFO	SJC	Total Bay Area Enplanement	Annual % Growth of Bay Area Enplanements
2016	15.9%	70.2%	13.9%	36,521,273	--%
2017	16.2	69.1	14.8	38,907,530	6.5
2018	15.8	68.3	15.9	42,215,690	8.5
2019	15.9	66.7	17.4	42,890,348	1.6
2020	15.5	66.0	18.5	30,611,415	(28.6%)

(1) Source:
OAK: Port of Oakland
SFO: San Francisco International Airport Financial Statements, Fiscal Year 2019, Fiscal Year 2018, Fiscal Year 2017,
SFO: Comparative Traffic Report Fiscal Year 2020
SJC: Comprehensive Annual Financial Report, Fiscal Year 2019
SJC: Airport Activity Report Fiscal Year 2020

Airline Agreements and Rate Setting.

FAA Requirements. Federal statutes and FAA regulations require that an airport maintain a rate structure that is as "self-sustaining" as possible. Various federal statutes also require that the Airline Rates and Charges assessed by an airport operator for the use of its facilities by airlines and other aeronautical users be "reasonable" and not "unjustly discriminatory" and authorize the Secretary of Transportation to review Airline Rates and Charges complaints brought by air carriers. No assurance can be given that the applicable statutory standards will remain the same or that FAA regulations or policies will not be modified or replaced in the future. The impact on the Port of such a modification or replacement cannot be predicted. Currently, there is no dispute between the Port and any of the airlines serving the Airport over existing Airline Rates and Charges, but no assurance can be given that the airlines will not challenge the Port's rate-setting methods in the future.

Agreements with the Airlines. All commercial air carriers, both passenger and cargo ("Signatory Airlines"), currently providing scheduled service to the Airport operate under separate Airline Operating Agreements with the Port, all of which expire on September 30, 2021. The Airline Operating Agreement with any Signatory Airline may be canceled by either party upon 30 days' written notice. Each Signatory Airline that occupies space in the Airport terminals is also party to a Space/Use Permit with the Port, which expires concurrently on September 30, 2021. The Space/Use Permit may also be canceled by either party upon 30 days' written notice. The Airline Operating Agreement and the Space/Use Permit together are referred to herein as the "Airline Agreements."

The Port anticipates negotiating with the Signatory Airlines over the few months following the date of this Official Statement to extend the term of each Airline Agreement by at least two years. The Airline Agreement has been extended multiple times in the past, and the Port anticipates that it will successfully extend the current Agreement with each of the Signatory Airlines. As described in Rate Setting below, rental rates and landing fees are not negotiated with the airlines but are set by ordinance. The Airline Agreements do not require the Port to obtain approval of any Signatory Airlines in order to undertake capital projects or to incur debt. The Airline Agreements require the Signatory Airlines to pay landing fees, terminal space rentals (for those occupying space in the terminals) and other charges for their use of the Airport's facilities in accordance with the Board's rate-setting ordinance. The Airline Agreements also require the Signatory Airlines to collect PFCs from their passengers on behalf of the Port. Airline Rates and Charges generally are established annually on a Fiscal Year basis in accordance with the Board's rate-setting ordinance as described further below.

Cost Centers. The Airline Agreements and the rate-setting ordinance divides the Airport into several cost centers. The passenger terminal areas (terminal), the airfield, and contract fueling activities are airline-supported cost centers based on the total airline requirement for each airline-supported cost center. For example, the Signatory Airlines are required to pay a landing fee (based on aircraft landed weight) for use of the Airport's airfield areas and to pay terminal rentals (based on square feet leased, operations or passenger volume) for use of the Airport's passenger terminal space, including ticketing counters, hold rooms, offices, baggage claim areas, and baggage make-up areas. The costs for contract fueling establishes the total annual requirement, which is collected monthly. The Signatory Airlines have no responsibility for the Airport's other cost centers (such as Ground Access, Cargo, Leased Areas and others).

Rate Setting. Rates for the terminal and the airfield, the airline-supported cost centers described above, are set annually by the Board at the beginning of each Fiscal Year based on budgeted expenses in the upcoming Fiscal Year; however, rates may be adjusted more frequently. The Port could revise or amend the ordinance and change its rate-setting policies in the future.

To determine rates, the Port summarizes the direct and indirect expenses allocable to each of the airline-supported cost centers for the Fiscal Year. The following are included in the calculation of each cost center requirement: (i) operating and maintenance expenses, including surpluses and/or deficits from prior years; (ii) to the extent the proceeds of any Senior Lien Bonds, Intermediate Lien Bonds or CP Notes were spent on such facilities, an allocated capital cost equal to 1.25 times debt service on the applicable Senior Lien Bonds and 1.10 times debt service on the applicable Intermediate Lien Bonds and CP Notes; and (iii) an amortization charge for the Port's internally-generated capital invested in the Airport with an interest component. Airfield rates, or landing fees, are derived after subtracting airfield revenues from estimated airfield requirement.

Prior to Fiscal Year 2018, the terminal requirement was determined after subtracting concession and other general terminal revenues (including certain car rental revenues) from the terminal expenses. In Fiscal Year 2018, the Port revised the calculation by establishing the airline terminal requirement based on the Signatory Airlines' proportionate share of the expenses attributable to the Signatory Airlines' leased space.

Any air carrier using the Airport is required to pay Airline Rates and Charges in accordance with the Board's Airline Rates and Charges ordinance. A 25% surcharge, set forth by the same Rates and Charges ordinance, typically applies to air carriers that are not party to an Airline Operating Agreement.

Airport Operating Revenues.

In Fiscal Year 2020, the Airport generated total operating revenues of approximately $186.6 million, derived from the sources shown in Table 14.

TABLE 14
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
CATEGORIES OF OPERATING REVENUE
FISCAL YEAR 2020

Revenue Description	Amount
Airline terminal rental	$ 60,890,636
Airline landing fees (excludes cargo airlines)	18,443,173
Total airline revenues	79,333,809
Concession[1]	7,056,512
Parking & ground access[2]	41,442,375
Lease rentals[3]	33,504,918
Landing fees-cargo airlines	11,057,926
Aviation fueling	2,313,042
Utility sales	3,489,012
Other[3]	8,391,799
Total revenues	**$186,589,393**

(1) Includes non-airline terminal revenues, miscellaneous revenues and other airfield revenue. Beginning in Fiscal Year 2019, Tenant Infrastructure Fee ("TIF") revenue was reported with Other revenues. Prior to Fiscal Year 2019, Tenant Infrastructure Fee revenue was reported as Concessions revenue. The TIF was established concurrent with the 2007 RFP for Food & Beverage ("F&B"), Retail, and Duty Free ("Retail") Concessions Request for Proposals and is meant to cover the cost of Port-constructed infrastructure improvements attributable to the expanded Airport Concessions Program. All current TIF's are scheduled to expire by 2025.

(2) Beginning in Fiscal Year 2019, Car Rental revenue is recorded with Parking & Ground Access revenue. In and prior to Fiscal Year 2018, Car Rental revenue was reported with Concession Revenue.

(3) Includes rental payments made under leases by rental car companies, air cargo carriers and others.

The single largest source of Aviation-related revenues in Fiscal Year 2020 was from Southwest Airlines, which was responsible for approximately 29.9% of the Aviation Division's total operating revenues in Fiscal Year 2020. The top ten sources of Aviation Division operating revenue in Fiscal Year 2020 are presented in the following table.

TABLE 15
PORT OF OAKLAND
OAKLAND INTERNATIONAL AIRPORT
TOP TEN SOURCES OF AVIATION OPERATING REVENUE
FISCAL YEAR 2020

Rank	Source	Revenue[1]
1	Southwest Airlines	$55,803,719
2	On-Airport public parking[2]	22,306,670
3	FedEx	21,223,903
4	Signature Flight Support Acquisition	7,640,061
5	Alaska Airlines	6,206,576
6	United Parcel Service	5,424,293
7	Enterprise Rent-A-Car	5,421,292
8	Avis Budget Group Inc.	5,077,489
9	Hertz Corporation	4,279,637
10	Spirit Airlines	3,693,816

(1) Does not include utilities revenue received from the tenants.
(2) Operated by LAZ California, LLC.

Impact of COVID-19 on Airport Revenues. The reduction in Airport passenger traffic experienced and expected due to the COVID-19 pandemic has resulted in, and is projected to continue to result in, a decrease in aviation revenues, which are projected to take multiple years to recover to pre-COVID-19 levels. Compared to Fiscal Year 2019, terminal rental revenue, concession revenue, and other airport rental revenue in Fiscal Year 2020 increased $1.2 million, decreased $2.9 million and increased $1.9 million, respectively. Terminal rental revenue and other airport rental revenue each largely consist of fixed rents based on rates established at the beginning of each fiscal year on a cost-recovery basis, and therefore would not be expected to vary significantly from budget regardless of passenger activity levels, whereas other revenue sources such as concession revenues contain a variable component based on percentage rent that is sensitive to Airport passenger activity levels.

Altogether, Fiscal Year 2020 total aviation operating revenues were down $21.5 million, or 10.3%, relative to Fiscal Year 2019. Other non-operating revenues tied to passenger activity (i.e. passenger facility charges ("PFCs") and Customer Facility Charges ("CFCs")) also declined, reflecting the decrease in passenger activity at the Airport. Relative to Fiscal Year 2019, PFC and CFC revenues in Fiscal Year 2020 were $9.5 million and $1.5 million lower, respectively. Port management projects that aviation operating revenues will recover gradually and approach pre-COVID-19 levels over the five-year forecast period as outlined in the Fiscal Year 2021 Budget adopted by the Board on June 25, 2020. See "PORT OPERATING BUDGET AND 2022-2025 PROJECTION PERIOD." Those revenue categories most dependent on activity (e.g. parking, ground access, terminal concessions, car rental), are expected to mirror the recovery in passenger traffic and other operational metrics noted above. Other revenue categories (e.g. airfield revenue and terminal rent) are dependent on landing fee and terminal rental rates established annually by the Port, based on projected passenger activity levels and amount of costs eligible for recovery through airline rates and charges.

Multiple Airport tenants have requested rent concessions or abatements since the onset of the COVID-19 pandemic. The Port agreed to grant three-month rent deferrals to certain tenants, to allow certain food and beverage and retail concessions to close or reduce operating hours, and to waive the obligation to pay Minimum Annual Guarantees ("MAGs") for certain concessions from May 2020 through the end of Fiscal Year 2021. Going forward, there can be no assurance that Airport tenants will continue to meet their payment obligations in full and on a timely basis when billed, or whether any further rent concessions or abatements will be granted by the Port in the future as a result of the impacts of the COVID-19 pandemic. In total, approximately $15.9 million in Fiscal Year 2020 and 2021 rent deferrals were provided to Airport tenants. As of October 25, 2020, approximately $12.5 million of the total amount deferred has been paid back and $3.4 million remains due and payable on or prior to December 31, 2020, with the exception of one international airline whose balance of less than $100,000 is payable before June 1, 2021. Certain Airport tenants have already repaid the deferred rent payments owed in full to the Airport, while others continue to target to have the balance fully paid by December 31, 2020 in accordance with the terms agreed between the Port and its tenants.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law on March 27, 2020 and includes $10 billion to be awarded to impacted airports. A portion of the CARES Act funding will be used to eliminate the 20% local matching requirements to qualify for 2020 federal Airport Improvement Program ("AIP") grants. The remainder may be applied to any eligible airport expenses (both operating and non-operating, including debt service payments) that would otherwise be funded with airport revenues. The Airport has been allocated $44.7 million of CARES Act grant funding and plans to apply $40.1 million of the CARES Act grant to pay for aviation related debt service over the next three fiscal years (Fiscal Year 2021 – Fiscal Year 2023), and $4.6 million to pay for aviation related operating expenses in Fiscal Year 2021. Actual application of CARES Act funds is subject to change based on changing needs at the Airport.

Airlines. Approximately $79.3 million or 42.5% of the Aviation Division's Fiscal Year 2020 operating revenues were derived from passenger airline payments of landing fees and terminal space. In addition to paying landing fees and terminal rentals, the airlines are responsible for collecting PFCs from passengers and remitting them to the Port. PFCs are used to finance eligible airport projects approved by the FAA and are discussed under "CAPITAL PLANNING AND CAPITAL PROJECTS—Funding for Projects in the CIP—Project Funding Sources—Passenger Facility Charges." PFCs are not included as operating revenues of the Aviation Division, and are not Pledged Revenues as described under the Senior or Intermediate Lien Indentures.

The Oakland Fuel Facilities Corporation ("OFFC") is a consortium of a majority of commercial airlines at the Airport that manages nearly all fueling facilities (e.g., tank farm, hydrant fuel system, fueling vehicles) and dispenses contract jet fuel at the Airport. The Port entered into a 20-year lease with OFFC, which expires in 2028. Under its lease, OFFC pays monthly rent to the Port based on annual expenses attributable to the OFFC. The Port anticipates negotiating with OFFC over the few months following the date of this Official Statement to extend the term of its lease, based on OFFC's desire to make capital improvements to the facilities estimated to cost at least $1.8 million.

Parking and Ground Access. Parking and ground access revenues were approximately $31.2 million or 16.7% of the Aviation Division's operating revenues in Fiscal Year 2020. Approximately $22.3 million of these revenues were from on-Airport public parking. Because various off-Airport parking facilities are available to Airport visitors and compete with on-Airport public parking, the Airport's ability to increase parking rates and revenue is limited. However, the Airport increased short-term and 24-hour public parking rates in most lots in March 2016, and increased long-term parking rates in October 2017, for the first time since 2005.

The Airport received $7.0 million in ground transportation fees in Fiscal Year 2020, which was a 25.8% decrease compared to Fiscal Year 2019. Ground transportation fees include primarily trip fees from taxis, hotel shuttles, transportation network companies (i.e., Uber and Lyft) ("TNCs") and other transportation operators who bring passengers to and from the Airport. Since TNC operations began at the Airport in the summer of 2015, TNC volume went from none to more than 15% of originating enplaned passengers. Since the onset of the COVID-19 pandemic, TNC activity has dropped off by approximately 5% from the peak activity experienced in 2019. While overall ground transportation revenues increased as a result of the introduction of TNCs, the number of trips taken using other Airport access modes such as auto, rental car, taxi, shuttle van and BART has declined and the Port cannot predict the impact of TNCs to future Port revenues, including parking and ground transportation fees. In addition, the California legislature has attempted to impose new legal requirements on TNCs that the TNCs consider to be inconsistent with their business operations, and several TNCs made public statements in the summer of 2020 about their intent to cease operations in California if such requirements were imposed. Although a ballot measure approved in November 2020 will exempt TNCs from such legal requirements, it is possible that legal and political disputes over the regulation of TNCs will continue or be renewed in the future. The Port cannot predict whether or how TNCs will be regulated in the future, and whether TNCs will continue to operate at the Airport or in California more broadly. In the event that one or more TNCs discontinue operations at the Airport, other access modes are likely to see increased usage, but the Port cannot predict the impact on the Port's operations and revenues as a result of any such discontinuation.

Rental Car Payments and Customer Facility Charges. Four on-Airport rental car companies (representing 11 company brands), operate at the Airport under space use permits for non-exclusive rental car concessions. The agreements provide for payments to the Port of rent at the greater of approximately $11.2 million or 10% of the companies' aggregate gross receipts from vehicle rentals at the Airport. The minimum annual guaranteed amount to be paid by such rental car companies is recalculated each year based on 85% of the prior year's gross receipts, provided that such minimum payment amount cannot decrease from the prior year. The agreements expire on June 30, 2032. Due to the impacts of the COVID-19 pandemic on the rental car industry, most U.S. airports, including the Airport, are providing some form of temporary rental relief to their rental car company tenants. The Port granted a waiver of the on-Airport rental car companies' MAG rent for the period of May 1, 2020 through June 30, 2021 (the "Waiver Period"). During the Waiver Period, on-Airport rental car companies are paying 10% of gross receipts derived from their operations at the Airport, without regard to any MAG. For the Port, this waiver is anticipated to result in an estimated $6.3 million loss in rental revenue. The Port's Fiscal Year 2021 Budget anticipates approximately $4.5 million in revenue from these agreements.

The Port also received approximately $5.6 million in Fiscal Year 2020 for the lease to the rental car companies of ready-return lots (approximately 13.5 acres of exclusive use and common areas); rental counter facilities owned by the Port; additional land area for vehicle storage, overflow and employee parking; and rental car maintenance facilities. The Port did not grant rent relief to the rental car companies with respect to these lease payments. These lease payments are included under "Lease Rentals" in Table 14. They are also subject to periodic adjustment based on the Consumer Price Index.

In addition, on-Airport rental car companies must collect a $10 per transaction customer facility charge ("CFC") from the rental customers, and off-Airport rental car companies that use the common transportation system must collect an $8 per transaction CFC. CFCs remitted to the Port totaled approximately $3.9 million in Fiscal Year 2020. Under State law, the use of CFCs is limited to financing the consolidated airport car rental facilities and the common use transportation systems that move passengers between airport terminals and those consolidated car rental facilities. CFCs remitted to the Port are primarily used to reimburse costs incurred for operating a common busing system between the terminals and the consolidated rental car facility located at the Airport. CFCs are not included as operating revenues of the Aviation Division and are not included in Pledged Revenues as described under the Senior Lien Indenture. The current CFC authorization expires on December 31, 2022.

In May 2020, The Hertz Corporation ("Hertz") filed for Chapter 11 bankruptcy protection, in part due to declining customer volumes resulting from the COVID-19 pandemic. As of the date of this Official Statement, Hertz, whose car-rental brands also include Dollar and Thrifty, is still operating at the Airport. The Port cannot predict whether Hertz will assume or reject its lease for facilities at the Airport as part of its bankruptcy proceedings.

In-Terminal Concessions. The in-terminal concession programs at OAK consist of the food & beverage ("F&B"), retail & duty-free ("Retail"), common-use premium lounge, financial services (bank-operated ATMs) and advertising concession programs. Most in-terminal concessionaires pay the Port the greater of a minimum annual guaranty ("MAG") or a percentage of gross sales. MAGs are evaluated and adjusted each year based on 85% of the prior year's actual sales revenue, provided that the MAG does not decline from year to year. Fixed monthly fees are charged for ATMs and some automated vending machines. In Fiscal Year 2020, these programs generated over $7.1 million in revenues.

In February 2019, the F&B program underwent a transition whereby four new concessionaires took over the existing restaurant, bar and café units for operation, first on a transitionary basis while the units were redesigned and renovated, and subsequently for permanent operation of the redeveloped units. Since the transition, these F&B concessionaires have been paying percent rent only and generated $6.13 million in revenues to the Port in Fiscal Year 2019 and $2.26 million in revenues to the Port in Fiscal Year 2020. The reduction in revenue for Fiscal Year 2020 is attributable to two primary factors: (1) of the seventeen units in the F&B program, four units, including the Terminal 2 food court, were closed for construction for portions of Fiscal Year 2020; and (2) the COVID-19 pandemic impacted sales significantly, resulting in a majority of the remaining units closing in March 2020, leaving just one F&B unit operating in each terminal for limited hours and with limited offerings. In May and June 2020, the F&B program started to recover, with the re-opening of two additional units. As flights and enplanements continue to grow, it is anticipated that additional F&B units will come on-line. However, in recognition of the severely-reduced revenues being earned by such F&B units, in July 2020 the Board adopted an ordinance that, among other things, waived the MAG payment requirement for the Airport's F&B units from January 1, 2020 through December 31, 2020 and deferred percentage fees due from such F&B units in March, April, May, and June 2020, such that the deferred amounts will be due to the Port in six equal installments from July through December 2020.

The Retail Program consists of fourteen retail units, a wine bar operator with an outlet in each terminal, one common use lounge, in-terminal advertising, various automated vending operators, and bank-operated ATMs. The Retail Program generated approximately $3.80 million and $2.91 million in revenues during Fiscal Year 2019 and Fiscal Year 2020, respectively. The majority of agreements under the Retail Program are governed under a MAG plus percent rent basis. These programs were performing quite well through February 2020, with the majority reporting above monthly MAG. However, as with the F&B concessionaires, the COVID-19 pandemic impacted the retail operations significantly, with only one retail unit remaining in operation at each terminal in March 2020. Two additional retail units re-opened in June as passenger traffic began to recover, and one wine bar re-opened in July 2020. The common use lounge is tentatively scheduled to re-open in the fall, concurrent with the resumption of certain flights to the Hawaiian islands. In recognition of the severely-reduced revenues being earned by the retail concessionaires, in July 2020 the Board adopted an ordinance that, among other things, waived the MAG payment requirement for the majority of the Airport's retail concessionaires for fourteen months, from May 2020 through June 2021. For the Port, this waiver is anticipated to result in an estimated $1.6 million loss in rental revenue.

Non-Diversion of Airport Revenues; Grandfathered Airport Sponsor. In general, a U.S. airport operator that receives any federal assistance through the Airport Improvement Program ("AIP"), as the Port does, is required to give the U.S. Department of Transportation ("DOT") assurances that all airport-generated revenues will be expended only for the capital and operating costs of the airport, the local airport system, or other local facilities owned and operated by the airport sponsor that are directly and substantially related to the air transportation of passengers or cargo. This rule is established by federal statute and further documented in a policy statement promulgated by the DOT on February 16, 1999 (the "Revenue Retention Policy"). However, the applicable statutes and the Revenue Retention Policy also provide that the revenues from any of the airport owner and operator's facilities may be used to support the general debt obligations or other facilities of the airport owner or operator if such uses are (1) provided for in a law enacted on or before September 2, 1982 that controls financing by the airport owner or operator or (2) required under a covenant or an assurance in a debt obligation issued by the Airport sponsor on or before September 2, 1982. Airport sponsors that are covered by this provision are called "grandfathered" airport sponsors. The FAA has confirmed that the Port is a grandfathered airport sponsor and may use Airport revenues for general debt obligations or for other Port facilities. The Port has not used Airport revenues for other Port facilities, and does not currently have any plans to do so.

Other Airport Information.

Security. The Transportation Security Administration ("TSA"), which was created by the Federal Aviation and Transportation Security Act (the "Aviation Security Act"), regulates airport and airline security activities. Among other things, the Aviation Security Act requires (i) explosive detection screening be conducted for all checked baggage; (ii) screening of individuals, goods, property, vehicles and other equipment entering secured areas of airports; and (iii) security screeners be federal employees, United States citizens and satisfy other specified requirements.

The Airport has prepared and follows its TSA-approved Airport Security Program as required by applicable federal regulations; the Airport Security Program establishes how the Airport complies with TSA regulations and security requirements. The Port has an Aviation Security Department that oversees compliance with TSA security regulations, the provision of law enforcement services to the Airport (provided by the Alameda County Sheriff's Office under contract to the Port), security technologies (e.g., access control and closed circuit television), and background checks and identity document / access media issuance.

Information Concerning Airlines. Each airline serving the Airport (or its respective parent corporation) is required to file periodic reports of financial and operating statistics with the DOT. Copies of such reports can be obtained by accessing the Bureau of Transportation Statistics website at *www.bts.gov*. In addition, those airlines (or their respective parent corporations) serving the Airport that have sold debt or equity securities to the public in the United States are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and accordingly file reports and other information, including financial information, with the SEC. Copies of such reports and statements can be obtained by accessing the SEC's web site at *www.sec.gov*. Debt securities or other obligations of various airlines serving the Airport may also have been issued ratings by one or more credit rating agencies. For a discussion of the particular sensitivities of the aviation industry, see "INVESTOR CONSIDERATIONS—Uncertainties of the Aviation Industry" and "—Tenant/Customer Bankruptcy." Neither the websites referenced in this paragraph nor any information or links contained therein are incorporated into, or otherwise a part of, this Official Statement.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments or foreign corporations operating airlines file limited information only with the DOT.

The Port cannot and does not assume any responsibility for the accuracy or completeness of any information contained or referred to herein regarding the business operations or financial condition of any of the airlines serving the Airport, and no such information is incorporated by reference in this Official Statement.

Maritime

Overview. The Seaport is among the top ten busiest container ports in the United States based on the volume ("throughput") of cargo handled, which is measured in twenty-foot equivalent units ("TEUs"), according to Calendar Year 2019 data on container port cargo volumes published by the American Association of Port Authorities. The Seaport serves as the principal Northern California ocean gateway for international containerized cargo shipments, primarily to and from countries in East and Southeast Asia. The Seaport is one of several major gateways for such shipments on the West Coast of North America. The other major gateways are the Port of Los Angeles, the Port of Long Beach, the Northwest Seaport Alliance (Ports of Tacoma/Seattle), the Ports of Vancouver and Prince Rupert in British Columbia, Canada, and the Ports of Manzanillo and Lazaro Cardenas in Mexico.

Approximately 85% of the total cargo handled at the Seaport is destined for or originated from the local region of Northern California and Western Nevada, and is typically referred to as "local cargo." The Seaport competes with other ports primarily for "discretionary cargo" that moves by rail to or from the Seaport from or to destinations well inland from the West Coast, which therefore could be shipped through several seaports. Local cargo is more resilient to competition from other seaports. Currently, and in recent years, the Seaport's discretionary container traffic represents approximately 15% of the total cargo handled at the Seaport.

In Fiscal Year 2020, the Port's Maritime Division generated approximately 46.0% of the Port's total operating revenues, or approximately $172.7 million. The Port generates revenues from the Seaport by leasing its maritime facilities to marine terminal operators and other maritime-related businesses. As a result, the Maritime Division's operating revenues are derived primarily from contractual payments made by tenants at the Seaport under a variety of agreements that vary in length and type.

Approximately 71.0% of the Maritime Division's operating revenue in Fiscal Year 2020 was derived from marine terminal revenues. A portion of this marine terminal revenue, equal to approximately 16.2% of the Maritime Division's total operating revenues in Fiscal Year 2020, was derived from variable revenue under long-term agreements with terminal operators, primarily variable revenue for cargo activity above minimum thresholds. Approximately 23.2% of the Maritime Division's operating revenue was derived from other ancillary support services, such as rail terminal(s), warehousing and transloading, berthing of support vessels (layberthing, tugs, barges, etc.) and truck parking/container depot facilities that are covered by a variety of short and medium/long-term agreements. The balance of Maritime Division's operating revenues were derived from utility sales to Seaport tenants.

There is a moderate correlation between Seaport cargo activity and revenues. As discussed above, a large portion of Maritime Division revenue is derived from fixed rent charged to marine terminal operators, as well as fixed rent for other property leases, which are required to be paid regardless of cargo activity levels except in very limited circumstances. However, cargo activity levels do have a direct effect on the long-term demand for the Port's facilities and the financial condition of the Port's marine terminal operators and other tenants, and therefore do affect the Port's financial performance. In addition, shifts in activity from one terminal to another can affect variable revenue, either negatively or positively, even if overall cargo activity levels at the Seaport in aggregate are unchanged. For example, if cargo moved from a terminal where the cargo throughput level generates additional variable revenue to a terminal where the throughput level is below the threshold(s) that would generate variable revenue, the total cargo throughput at the Seaport would be unchanged but the revenues to the Port may decrease.

The agreements under which the Port leases its maritime facilities set forth various terms including the basis on which fixed and variable revenues are calculated and paid to the Port. These agreements vary in length and are subject to change upon expiration or renegotiation of a current lease prior to its expiration.

For more information about the Maritime Division's revenues, see "—Major Sources of Maritime Operating Revenue," and "—Port Operating and Use Agreements and Port Tariffs" below. For additional information about factors that may affect the Maritime Division, see "—Activity at the Seaport—Competition," "INVESTOR CONSIDERATIONS—Uncertainties of the Maritime Industry," and "—Competitive Considerations at the Seaport." For certain economic and demographic information related to the Bay Area see APPENDIX G—"ECONOMIC AND DEMOGRAPHIC INFORMATION."

Maritime Facilities. The Port has approximately 1,300 acres of Seaport facilities, which consist of marine terminals; rail facilities for intermodal and bulk cargo handling; areas for truck staging, container storage and maritime support services; and a portion of the former Oakland Army Base ("OAB") property, which the Port is developing as a logistics center as described below in the section "—Former Oakland Army Base." These facilities are supported by a transportation network that includes additional privately-owned intermodal rail facilities, an extensive roadway system including transcontinental highways (Interstate 80, U.S. 50, Interstate 5, and U.S.101), and a Federal navigation channel with water depth of minus 50 feet mean lower low water ("mllw") that can accommodate the latest generation of container vessels. The map on the next page shows the current layout of the Seaport facilities, which are described in further detail below.

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SEAPORT FACIILITIES

Marine Terminals. The Seaport has six marine terminals, four of which are currently handling routine vessel operations, and two of which are being used for ancillary businesses following the closure of container operations in 2013 and 2016.

Although the map of the Seaport facilities shows 25 marine terminal berths (identified by number), there are only 18 functional berths given the average size of container vessels currently calling, and anticipated to call, at the Seaport. Of the 18 berths, 13 have water depth of minus 50 feet mllw and can accommodate container vessel with capacities of approximately 18,000 TEU. The remaining five berths have depths of minus 42 to minus 44 feet mllw. There are no current plans to deepen these five berths in the near to medium-term. Upgrades to bollards and fenders on various terminal wharves are necessary to better accommodate the largest vessels in deployment, and funding for this work is included in the CIP. The terminals are equipped with a total of 33 cranes, of which 15 are super post-Panamax, 15 are post-Panamax, and 3 are Panamax. There are three other berths at the Seaport that can accommodate smaller vessels, such as bulk ships, older generation container vessels and tugs – these berths are maintained at varying water depths.

The Seaport's six marine terminals are further described as follows:

The **Oakland International Container Terminal** ("OICT") is leased and operated by SSA Terminals (Oakland), LLC ("SSAT Oakland"). The terminal consists of 290 land acres at Berths 55-59. The terminal is equipped with ten super post-Panamax container cranes owned by the Port. The tenant recently completed the raising of four Port-owned container cranes and is scheduled to replace three existing Port-owned cranes with new, larger tenant-owned cranes by the end of 2020. The three Port-owned cranes being replaced are slated for demolition by the end of 2021.

The recently expanded **TraPac Terminal** is leased and operated by TraPac, LLC ("TraPac"). The terminal consists of 123 land acres at Berths 25-33. The terminal is equipped with seven container cranes, of which five are post-Panamax and two are super post-Panamax. Three of the five post-Panamax cranes are owned by the tenant. The other cranes are owned by the Port.

The **Ben E. Nutter Terminal** (the "Nutter Terminal") is leased and operated by Everport Terminal Services Inc. ("Everport"), a wholly-owned subsidiary of Evergreen Marine Corporation (Taiwan), Ltd. The terminal consists of approximately 75 land acres at Berths 35-38. Approximately 15 acres of the 75-acre Nutter Terminal are part of the Berth 34 marine terminal area, leased under a different agreement with different compensation terms; however, the two leaseholds are operated as one facility. The terminal is equipped with four container cranes, of which three are super post-Panamax (owned by the tenant) and one is post-Panamax (owned by the Port). In the near future, the tenant plans to raise its three cranes and purchase a new, larger crane, which would replace the existing Port-owned crane. The Port-owned crane being replaced is slated for demolition by the end of 2021.

The **Matson Terminal** is leased and operated by SSA Terminals, LLC ("SSAT"). Collectively herein, SSAT and SSAT Oakland may be referred to as "SSAT." The terminal consists of 75 land acres at Berths 60-63. The terminal is equipped with four tenant-owned post-Panamax cranes. The berths at this terminal are maintained at minus 42 feet mllw. There currently are no plans to deepen these berths given the size of vessels anticipated to call the terminal in the near to medium term.

The **Charles P. Howard Terminal** (the "Howard Terminal") consists of 50 land acres at Berths 67-68, equipped with four container cranes owned by the Port, of which one is post-Panamax and three are Panamax. Marine terminal operations at the Howard Terminal ceased in 2014, and the terminal is currently being used for a variety of ancillary uses, such as truck staging, longshore training facilities, container storage, and berthing of vessels that need short and medium-term dockage. The berths at this terminal are maintained at minus 42 feet mllw. There currently are no plans to deepen these berths given the anticipated uses of the terminal in the near to medium-term. This facility plays an important role in the fluidity of trucking services at the Seaport, which helps ensure smooth terminal operations and minimize congestion.

In May of 2019, the Port executed an Exclusive Negotiation Term Sheet for Howard Terminal ("ENTS") with the Athletics Investment Group LLC d/b/a the Oakland Athletics (the "Oakland Athletics") major league baseball team to memorialize the preliminary terms negotiated between the parties and to inform the public regarding the goals and principles that will guide the proposal to develop a new baseball stadium mixed-use development project on the Howard Terminal site. The Oakland Athletics are currently working with the Commercial Real Estate Division staff to further negotiate and refine the potential business terms of a possible real estate transaction for the proposed project, while also pursuing various regulatory agency permits and approvals for the potential project, including the preparation of an Environmental Impact Report by the City of Oakland, who is the lead agency under the California Environmental Quality Act ("CEQA") for the proposed project. The ENTS provides for a four-year term for the Oakland Athletics to complete the various obligations related to securing necessary entitlements and agency approvals for the proposed project. As of the date of this Official Statement, while the environmental review process and project transaction documents are continuing to be refined, the Port cannot predict when or whether any such development might occur.

The former **Outer Harbor Terminal** ("OHT"), which closed to container vessel operations in 2016, consists of approximately 150 land acres at Berths 20-24 with four post-Panamax cranes. These facilities are available for a future tenant. In the interim, the available area is being used for logistics activities, including container staging and transloading. The Port is currently in negotiations with a sand/aggregate company for the development of a marine bulk cargo terminal on about 20 acres of the OHT. As of the date of this Official Statement, the Port is finalizing negotiations, drafting the necessary supplemental environmental impact report under CEQA, and drafting real property agreements for the prospective development, but no assurances can be made regarding whether such agreements will be finalized.

As noted above, TraPac and Everport lease portions of the land and water areas at the Berths 33 and 34 maritime terminal areas, respectively, but approximately 20 additional acres of such facilities remain available. In the medium to long term, the Port anticipates that these vacant areas will be incorporated into adjacent marine terminals. In the near term, the Port intends to continue leasing the available property to various tenants on a short-term basis as demand arises.

Rail Terminals. The two western transcontinental railroad companies, BNSF Railway Co. ("BNSF") and Union Pacific Railroad ("UP"), provide rail shipping service from the Seaport to various points throughout the United States.

BNSF operates the 84-acre Oakland International Gateway ("OIG") (also known as the Joint Intermodal Terminal), under lease from the Port. The OIG has an estimated annual operating capacity of approximately 630,000 TEUs. The OIG was used at approximately 23% of its operational capacity in calendar year 2019.

The other intermodal rail terminal, Railport-Oakland, consists of approximately 110 acres of UP-owned and operated property adjacent to the Seaport. Railport-Oakland has an estimated annual operating capacity of approximately 857,000 TEUs. The estimated combined capacity of the railyards is about 1.5 million TEUs. UP is permitted to use the OIG to supplement the cargo capacity of its intermodal terminal.

While the OIG and Railport-Oakland have sufficient capacity for growth of intermodal rail activity, the Port historically has lacked capacity to grow non-containerized rail shipments. To address this concern, in 2017 the Port completed a new railyard at the former OAB, described below, that can accommodate transloading activity (i.e., the transfer of cargo in boxcars, hopper cars, and similar vehicles transferring between container ships and trains).

Former Oakland Army Base. Between 2003 and 2007, portions of the OAB, a former military supply depot built during World War II and closed in 1993, were transferred to the City and other portions were transferred to the Port. The Port owns approximately 241 acres of the former OAB, of which approximately 185 acres are land (versus water). The City owns the remaining approximately 228 acres of the former OAB. The Port currently leases portions of its property to various maritime-related tenants. The City and the Port have begun developing their respective portions of the former OAB into a state-of-the-art trade and logistics center, which includes or is envisioned to include a new intermodal rail terminal, rail-served warehouses for maritime-related businesses, and infrastructure improvements, including roadway and utility systems. The Port intends to develop the former OAB property over time based on market demand, while continuing to lease available areas to existing and new short and medium-term tenants to maintain revenue to the maximum extent possible. The Port's first project within that development plan was a new railyard, completed in January 2017, which can accommodate transloading activity. A 460,000 square foot warehouse and distribution center is currently under construction and is scheduled for completion by the end of 2020. The facility will be managed by CenterPoint Properties.

Further development of the former OAB, including additional intermodal rail capacity and logistics buildings, is anticipated to be phased based on market demand and on the Port's and the City's available financial resources. The Port expects to continue to rent portions of the OAB property to various maritime-related businesses prior to and during the construction of the anticipated development plan. See "CAPITAL PLANNING AND CAPITAL PROJECTS—Projects in the CIP—Maritime Projects in the CIP."

Roundhouse. The Port owns 39 acres located next to the Matson Terminal, referred to as the "Roundhouse" property. This area is paved and available for maritime-related uses. The property is currently leased to several tenants as needed on a short- to medium-term basis, and is planned to be the Seaport's dedicated public truck parking/container depot facility by 2021 as well as a pilot electric truck charging station. In the longer term, the Port anticipates that the property may be consolidated with adjacent marine terminals, in which event the truck parking/container depot would be relocated.

Maritime Support Center. The Port owns approximately 75 acres of land adjacent to the OIG, known as the Maritime Support Center ("MSC"), which houses a maintenance yard for the Port's facilities department, as well as various maritime logistics and ancillary tenants on about 40 acres. In November 2018, operations commenced at a new, 283,000 square foot rail-served, temperature-controlled logistics facility known as Cool Port Oakland, operated by Cool Port Oakland, LLC. The facility is situated on approximately 25 acres of land within the MSC. Cool Port is expected to increase the import and export of perishable foods and other commodities through Northern California.

***Activity at the Seaport*.**

Impact of COVID-19 on Seaport Operations. The global fight to contain the spread of COVID-19 has disrupted global demand for goods, impacted manufacturing supply chains, and limited the overall movement of marine cargo and the number of vessel calls around the world. In Fiscal Year 2020, the total number of shipping containers measured in terms of TEUs handled by the Port was 6.8% lower than in Fiscal Year 2019. Full (loaded) TEUs were flat at approximately 1,885,279 while empty TEUs were 528,361, which is 173,006 or 24.7% lower than in the prior year. During March and April 2020, total TEUs amounted to 392,107, which represented a decline of approximately 38,000 TEUs from the same months in the prior year, or 8.8%. The number of TEUs handled by the Port in Fiscal Year 2020 was 2,413,640 which represented a decline of 4.8% from the Fiscal Year 2020 budgeted level, and 6.8% from Fiscal Year 2019 actual TEU activity.

Total Fiscal Year 2021 TEUs are expected to decline by approximately 8.9% relative to actual Fiscal Year 2020 TEUs of 2,413,641, resulting from a decrease in imports due to lower consumer demand domestically as well as potential weakness in key Asian markets for exports.

The Port views the Seaport as favorably situated compared to competitor ports on the West Coast with respect to post-COVID operational recovery for various reasons, including that (i) the Seaport is roughly balanced between imports and exports; (ii) the Seaport serves a large local and regional, and generally affluent, consumer market, which creates robust demand for imports; (iii) the Seaport's proximity to farms in California's Central Valley and relatively short transit times for shipments to Asia situate the Seaport favorably for exports; and (iv) investments at the Seaport in temperature-controlled logistics facilities in recent years have coincided with an increase in exports of refrigerated goods such as pork and beef products. However, no assurance can be given regarding future demand for imports and exports or the impacts of the COVID-19 pandemic on such demand or on the Seaport's operational results.

Major Ocean Carriers Serving the Port. Major ocean carriers (shipping lines) currently serving the Port include: ANL (U.S. Lines), APL/CMA CGM, COSCO, Evergreen, Hamburg Sud, Hapag-Lloyd, Hyundai, Maersk, Matson Navigation, Mediterranean Shipping Company, Ocean Network Express, OOCL, Pacific International, Pasha, Polynesia Line, Sealand, SM Line, Wan Hai, Yang Ming and Zim. Many of the ocean carriers calling at the Seaport currently participate in at least one of the three major alliances among global shipping lines (Ocean Alliance, THE Alliance, and 2M). Membership in alliances changes from time to time. Should a change in alliance membership result in a transfer of cargo from one terminal to another, revenues received by the Port could be affected because compensation terms vary across marine terminal agreements.

Containerized Cargo Activity. The Seaport handles a diverse range of containerized import and export cargo. In calendar year 2019, the Seaport handled approximately 2.5 million TEUs, of which 1.91 million were loaded (full) TEUs. During calendar year 2019, export (outbound) and import (inbound) cargo constituted 53% and 47%, respectively, of the total containerized cargo handled at the Port (full and empty TEUs).

According to 2019 container cargo data published by the American Association of Port Authorities and reported by individual ports, the Seaport has the highest percentage of export cargo (relative to its total throughput) on the North American West Coast because of its close proximity to various agricultural regions, including the California Central Valley (one of the most productive agricultural regions in the United States) and because it is generally the last port of call in California, which shortens the transit time to Asian markets. Principal exports moving through the Port are scrap paper and cardboard, edible fruit and nuts, meat, iron and steel, beverages, oil seeds and oleaginous fruits, preparations of vegetables, cereals, wood and wood pulp. Principal imports are machinery, furniture and bedding, apparel and footwear, beverages, articles of iron and steel, glass and glassware, preparations of vegetable, plastic, wood and articles of wood, and coffee.

The Port's containerized cargo activity increased from approximately 1.76 million full TEUs in calendar year 2010 to approximately 1.91 million full TEUs in calendar year 2019, an annual compound growth rate of 0.9%. In calendar year 2019, containerized cargo represented more than 96.0% of the total cargo tonnage handled by the Port (the balance of tonnage was from a privately-owned metal recycling facility and vessel fueling operations or "bunkering"). Occasionally, breakbulk cargo (primarily automobiles and commercial vehicles) and liquid bulk cargo (primarily bunker fuels for carriers serving the

Seaport) move through the Seaport. Dry bulk cargo (primarily scrap steel) is handled at a metals recycling facility on private land within the Port area.

For calendar year 2019, approximately 95% of the Seaport's trade was with international trading partners or regions and 5% was domestic. Countries in East and Southeast Asia continue to be the principal origination and destination points for cargo moving through the Port. Trade with Asia accounted for approximately 81% of the Port's international cargo tonnage and approximately 75% of the Port's total cargo tonnage in calendar year 2019. The Seaport's domestic trade consists primarily of traffic to/from Hawaii and other Pacific islands, including the U.S. territory of Guam and the Commonwealth of the Northern Marianas Islands.

The throughput and growth of containerized cargo, measured in both Loaded (Full) and Total TEUs, through the Seaport for calendar years 2010 through 2019 are shown in Table 16 below. The activity for the first nine months of calendar years 2019 and 2020 is also shown in Table 16. For discussion of factors effecting cargo activity at the Seaport, see "—Activity at the Seaport—Competition" and "INVESTOR CONSIDERATIONS—Uncertainties of the Maritime Industry" and "—Competitive Considerations at the Seaport."

TABLE 16
PORT OF OAKLAND
MARITIME DIVISION
CONTAINERIZED CARGO
CALENDAR YEARS 2010 THROUGH 2019[1]
AND FIRST NINE MONTHS OF CALENDAR YEARS 2019 AND 2020
(000s)

Calendar Year	Loaded (Full) TEUs	Total TEUs[2]
2010	1,758	2,330
2011	1,791	2,343
2012	1,778	2,344
2013	1,818	2,347
2014	1,815	2,394
2015	1,702	2,278
2016	1,832	2,370
2017	1,850	2,421
2018	1,863	2,546
2019	1,906	2,500
2010-2019	0.9%	0.8%
2015-2019	2.9%	2.4%
First Nine Months of Calendar Years (January 1 through September 30)		
2019	1,425	1,904
2020	1,427	1,839
Growth Rate	0.1%	-0.3%

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[1] Seaport cargo data is reported on a calendar year basis, compared to Airport data, which is reported on a Fiscal Year basis.
[2] Includes loaded (full) and empty TEUs.

TABLE 17
PORT OF OAKLAND
MARITIME DIVISION
CONTAINERIZED CARGO
FISCAL YEARS 2019 and 2020 (1)
(000s)

Month	Fiscal Year 2019 Full TEUs	Fiscal Year 2019 Total TEUs	Fiscal Year 2020 Full TEUs	Fiscal Year 2020 Total TEUs
July	154	217	167	218
August	160	231	163	225
September	156	220	157	207
October	161	226	166	205
November	161	219	159	197
December	159	221	156	194
January	157	212	166	211
February	138	186	142	180
March	163	214	151	190
April	160	216	162	202
May	164	223	143	186
June	156	204	153	199
Total	**1,888**	**2,590**	**1,885**	**2,414**

(1) Fiscal Year 2019 begins July 1, 2018 and ends June 30, 2019. Fiscal Year 2020 begins July 1, 2019 and ends June 30, 2020.

Competition. Because the Seaport is the only deep-water port in Northern California, it is the primary port for cargo that serves the local and regional population ("local cargo"). While the Port does face some (relatively limited) competition from other U.S. West Coast ports for local cargo, the Port faces much more competition for discretionary intermodal rail cargo. For this cargo, the Port primarily competes with other North American West Coast gateways, including the Southern California ports of Los Angeles and Long Beach, the Pacific Northwest Seaport Alliance (Ports of Seattle/Tacoma, Washington), the Canadian ports of Vancouver and Prince Rupert, and Manzanillo and Lazaro Cardenas on the Mexican West Coast. In addition, the Seaport competes with ports on the East Coast and Gulf Coast. Historically, competition with the East Coast and Gulf Coast ports has been constrained, in part, by the vessel size limitations of the Panama Canal. However, with the completion of the Panama Canal expansion project in 2016, larger ships can transit the canal and bring cargo directly from Asia to the U.S. East and Gulf Coasts. This reduces the need for cargo to move through West Coast ports and then overland to its destination. According to market share data published by the Journal of Commerce, U.S. ports on the West Coast are losing a growing share of their market to competitors on the East and Gulf Coasts. According to the American Association of Port Authorities, the Seaport was the eighth busiest container port by cargo volume (measured in TEUs) in the United States in calendar year 2019, behind the Ports of Los Angeles, Long Beach, New York/New Jersey, Savannah, the Northwest Seaport Alliance (Ports of Seattle/Tacoma, Washington), Houston, and Hampton Roads (Norfolk, Virginia).

Various factors influence a seaport's competitiveness with respect to attracting cargo, including but not limited to operational factors such as cost, efficiency, service reliability, and transit time. When choosing a port of call, ocean carriers also consider the quality of infrastructure, such as water depth, berth accommodations, cranes (both number and size), terminal size and efficiency, and transportation networks, including intermodal service. See "INVESTOR CONSIDERATIONS—Uncertainties of the Maritime Industry" and "—Competitive Considerations at the Seaport."

Maritime Operating Revenues. The Maritime Division generated total operating revenues of approximately $172.7 million in Fiscal Year 2020. These revenues were derived from four categories as detailed in Table 18.

TABLE 18
PORT OF OAKLAND
MARITIME DIVISION
CATEGORIES OF OPERATING REVENUE
FISCAL YEAR 2020

Revenue Sources Description	Amount
Fixed revenue – marine terminals	$92,777,174
Variable revenue – marine terminals	$29,894,416
Fixed and variable revenue – other facilities	$36,961,533
Utility sales	$13,106,943
Total Revenues	**$172,740,066**

In Fiscal Year 2020, approximately 53.7% of the Maritime Division's operating revenue were derived from fixed revenue under marine terminal agreements. In the same year, three of the four active marine terminals handled cargo at levels that generated variable revenue for the Port, equal to approximately 17.3% of the Maritime Division's operating revenue. In the near term, variable revenue from marine terminals is expected to decline due to declines in cargo volumes resulting from the COVID-19 pandemic.

Table 19 sets forth the top ten individual sources of the Maritime Division's operating revenue for Fiscal Year 2020 by alphabetical order. Of these ten revenue sources, the top two accounted for approximately 63% of the Maritime Division's operating revenue.

TABLE 19
PORT OF OAKLAND
MARITIME DIVISION
TOP TEN SOURCES OF MARITIME OPERATING REVENUE(1)
FISCAL YEAR 2020

BNSF Railway Company
ConGlobal Industries
Everport Terminal Services, Inc.
GSC Logistics, Inc.
Impact Transportation
Pacific Coast Container, Inc.
Shippers Transport Express, Inc.
SSA Terminals, LLC and SSA Terminals (Oakland), LLC (combined)
TraPac, Inc.
Truck Parking(2)

(1) Listing is alphabetical and does not necessarily reflect rank in terms of revenue.
(2) Operated by ABM Industry Groups, LLC, doing business as ABM Parking Services. Previously known as AMPCO System Parking, Inc.

The Impact of COVID-19 on Seaport Revenues. The large majority (75.3%) of marine terminal rent revenue is fixed with the potential for additional variable revenue above pre-determined MAGs. The Port observed declines in loaded container volume at the Seaport in May and June 2020 due to impacts of the COVID-19 pandemic on global shipping. However, even after factoring in the impact of COVID-19 to seaport operations, maritime revenues totaled $172.7 million in Fiscal year 2020 which was $2.5 million higher than budget, and $1.8 million higher than revenues generated in Fiscal Year 2019.

In Fiscal Year 2021 Maritime revenues, including marine terminal rent payments, rail and other fixed lease agreements are budgeted to decline by approximately $3.8 million or 2.4% from Fiscal Year 2020 budgeted levels, or $4.8 million or 3.0% from Fiscal Year 2020 actual revenues. This is primarily due to anticipated decreases in the variable component of the Port's marine terminal leases, as well as declines in revenues earned by the Port from providing services ancillary to maritime operations, such as truck parking. These revenue sources are dependent on the number of TEUs handled through the Port, which as noted above, is expected to decline in Fiscal Year 2021 due to impacts of the COVID-19 pandemic.

At present, none of the marine terminals or other major, long-term lessees (i.e., lessees with leases of more than one year) have requested rent relief, and the Port does not currently anticipate requests for rent relief from marine terminal operators. Three short-term tenants initially requested rent relief but have not pursued those requests. The Port has not granted requests for maritime-related rent relief but has offered to reduce leasehold area as an indirect way to reduce rent and also to free up space for potential new or expanding tenants; while some short-term tenants expanded and some shrunk their leaseholds in the last three months of Fiscal Year 2020, there was no clear indication that these changes are out of the norm or directly related to the COVID-19 pandemic. It is possible that some month-to-month tenants may begin terminating their tenancies if business trends downward more significantly; lessees must provide the Port 30 days' notice before termination.

Depending on the ultimate magnitude of the impact of the COVID-19 pandemic on the ocean shipping industry, marine terminal, railyard, or other Seaport tenants could seek to renegotiate their rental arrangements, including adjustments to the rent amounts tenants pay. At this time, the Port cannot predict the actions of shipping lines nor the larger maritime business trends that could impact the Port of Oakland. Going forward, there can be no assurance that Seaport tenants will continue to meet their payment obligations in full and on a timely basis when billed, or whether any rent concessions or abatements will be granted by the Port to such tenants in the future as a result of the impacts of the COVID-19 pandemic or otherwise.

Certain tenant improvements, notably construction of a new logistics facility (the "CenterPoint logistics facility" or "CenterPoint"), were suspended temporarily due to the COVID-19 pandemic but have recently resumed. The delays experienced are not expected to result in a material negative impact to maritime revenues but are an example of potential ways certain Seaport revenues could be delayed or negatively impacted by the pandemic.

Port management cannot, at this time, predict the ultimate magnitude or duration of the impact of the COVID-19 pandemic on the maritime industry, on the Seaport's tenants, or on the revenues and operations of the Seaport.

Port Operating and Use Agreements and Port Tariffs. Revenues from the operation and use of Seaport facilities are generated under property rental or operating agreements executed between the Port and its tenants. There are different forms of agreements depending on the type and term of a tenancy. Agreements for marine terminals and rail yards typically provide for both fixed and variable rent based on activity levels. Certain agreements for other types of uses may include variable rent based on gross or net revenue above a certain threshold. All agreements may be subject to change upon expiration, exercise of an option to extend, or renegotiation prior to expiration.

Marine Terminal Agreements. The majority of Maritime Division revenues are generated by the marine terminals, typically under a form of agreement known as a Non-Exclusive Preferential Assignment

Agreement, or NEPAA. This form of agreement is unique to marine terminals; it assigns an entire maritime terminal to a specific ocean carrier or terminal operator for its use. These agreements tend to be long-term in nature, provide a simpler rate structure as compared to tariff rates, and reward higher levels of cargo throughput by providing discounted rates for activity above minimum thresholds for one or more types of cargo. See "—Port Tariffs" below. While allowing preferential assignees to operate and manage terminals for their primary use, NEPAAs are non-exclusive and the Port reserves the right to assign "secondary" use of the facilities. Compensation and related terms of the NEPAAs are adjusted from time to time either through negotiations or pursuant to the provisions of each agreement. The revenues received by the Port from these agreements consist of annual fixed rent or a MAG, and additional variable revenue from activity above the MAG. Except under limited circumstances including, but not limited to, various force majeure events and other occurrences specified in individual agreements, fixed or MAG revenue from NEPAAs is required to be paid regardless of activity levels.

Table 20 describes the Port's agreements for the marine terminals actively handling cargo as of June 30, 2020. As shown in the table, the Port's agreement with Everport is scheduled to expire in 2023. Negotiations have begun for a new agreement to extend the term beyond 2023, but no assurances can be provided that these negotiations will result in continuation of the tenancy.

TABLE 20
PORT OF OAKLAND
MARITIME DIVISION – MARINE TERMINAL AGREEMENTS
As of June 30, 2020

Lessee, Assignee or Terminal Operator	Terminal	Berths	MAG or Other Annual Fixed Payment	Date Tenancy Started (Calendar Year)	Expiration of Agreement (Calendar Year)
SSA Terminals (Oakland), LLC[1]	OICT	55-59	$56,367,052	2002	2032
SSA Terminals, LLC[1]	Matson Terminal	60-63	$10,516,292	2013	2032
TraPac, LLC[2]	Trapac Terminal	25-33	$16,221,846	1990	2030
Everport Terminal Services, Inc.[3]	Ben E. Nutter Terminal	35-38	$7,821,097	2002	2023
Everport Terminal Services, Inc.[4]	Ben E. Nutter Terminal	34	$1,772,626	2004	2018

(1) SSAT operates the OICT under two agreements with identical expiration dates and combined compensation terms.
(2) TraPac, LLC has two, five-year options to extend the term.
(3) As of July 1, 2012, Evergreen Marine Corporation (Taiwan) Ltd. assigned its interest in its lease agreement to Everport Terminal Services Inc., a wholly-owned subsidiary of Evergreen Marine Corporation (Taiwan) Ltd., Everport operates the Ben E. Nutter Terminal under two agreements. This agreement was recently extended through June 2023.
(4) Everport operates the Ben E. Nutter Terminal under two agreements. This agreement expired June 2018 and remains in holdover status; however, negotiations were recently finalized to extend the term through June 2023. The Berth 34 agreement provides for fixed rent on a portion of the Berth 34 backlands; there are no variable rent provisions.

Port Tariffs. The Port sets its tariffs by ordinance. Tariff 2-A ("Tariff") provides general rules and procedures for the use of Seaport facilities as well as rates for items such as vessel dockage, wharfage, wharf storage, wharf demurrage, container crane rental, and short-term property rental. Changes in Tariff rates may affect payments to the Port under its tenancy agreements. Each agreement can be affected differently by changes in the Tariff, because the compensation terms (for example, timing or type of rent increase) of each agreement are unique.

Although each California public port, including the Port, controls its respective seaport tariff structures, such ports cooperate in setting tariff rates through membership in the California Association of Port Authorities ("CAPA"). CAPA strives to establish and maintain reasonable and, as far as practicable, uniform terminal rates, charges, classifications, rules and regulations for the handling and movement of domestic and foreign waterborne cargo. CAPA also endeavors to permit California ports to obtain adequate returns on investment to facilitate the maintenance, expansion and improvement of their marine facilities.

CAPA is exempt from federal antitrust laws in connection with its cooperative rate setting. In the event CAPA declines to approve any CAPA member's rates, such CAPA member may still independently act with regard to its specific tariff structures by giving a 10-day written notice to CAPA. Upon such notice, CAPA may consult the other CAPA members and make recommendations. Such recommendations by CAPA are purely advisory and non-binding on its members.

Other Seaport Information

Security. Security measures at the Seaport include radiation portal monitors in all international terminals and a 24/7 Port Security Operations Center that manages a comprehensive security surveillance system coupled with roving security patrol officers. Additional security projects are included in the CIP as described under "CAPITAL PLANNING AND CAPITAL PROJECTS—Projects in the CIP—Maritime Projects in the CIP."

Further, Port terminal properties operate in accordance with federal Maritime Transportation Security Act requirements and applicable sections of Title 33 of the Code of Federal Regulations for security of maritime facilities. Facilities comply with individual Facility Security Plans that are routinely reviewed, approved, audited, and inspected by the U.S. Coast Guard as the lead federal regulatory agency. Additionally, the Port is a member of the San Francisco Bay Area Maritime Security Committee (the "AMSC"). This committee meets quarterly and is chaired by the U.S. Coast Guard, with participants from all federal, state, and local maritime law enforcement agencies in the region as well as private maritime industry representatives. Through the AMSC, the major ports in the Bay Area including the Port, San Francisco, Stockton and Richmond collaborate to implement the 5-year Strategic Risk Mitigation and Trade Resumption/Resiliency Plan and leverage the federal Port Security Grant Program to implement risk-reducing maritime security projects across the Bay Area region.

The Port also collaborates with federal, state and local agencies in the development and participation in yearly maritime exercises that test the Port's preparation, response and recovery plans and procedures for disasters or incidents of national significance. Lessons learned from these exercises drive communications, command and control, coordination and equipment improvements.

International Longshore and Warehouse Union Labor Agreement. The labor agreement between the International Longshore and Warehouse Union (the "ILWU"), the union representing most dockworkers at all United States West Coast ports, and the Pacific Maritime Association, which represents companies engaged in shipping to or through ports on the West Coast of the United States, expires on June 30, 2022. The ILWU members are not employees of the Port.

Historically, certain labor disruptions have affected the competitive position of all West Coast ports, including the Seaport, while others have been port-specific. For example, during the 2014-2015 contract negotiations, the ILWU at the Seaport engaged in slowdown tactics against the terminal operators and shipping lines in Oakland, which resulted in reduced productivity. Similar actions did not occur during the most recent (2017) negotiations that resulted in the contract extension through June 2022. It is difficult to predict if a labor disruption will affect all ports equally. In the case of port-specific disruptions, one port could be negatively impacted while another port could benefit from diverted cargo. Future slowdowns, lockouts or other labor activities, including strikes, could reduce the ability of the Port's maritime tenants to move cargo through the Seaport and therefore could have a materially adverse financial impact on the Port, particularly if such activities constrain or shut down Seaport maritime operations for extended periods. With some allowances for temporary reductions, the terminal operators would be required to pay their MAGs during labor disruptions, but the over-the MAG revenue would be delayed or reduced if activity were impaired.

Commercial Real Estate

Overview. Commercial Real Estate includes all Port properties not used or intended to be used for Maritime or Aviation purposes. The major properties are categorized into four distinct geographic areas – Jack London Square, Embarcadero Cove, the Oakland Airport Business Park/Distribution Center and Oak-to-Ninth District. Over the last approximately twenty years, the Commercial Real Estate Division has leased most of its properties to developers or tenants under long-term ground leases, under which the developer or tenant is responsible for the development, subleasing, operation and maintenance of the improvements on the properties. As a result, the Commercial Real Estate Division's role has changed from property management, or day-to-day management of properties, to an asset management role for the majority of the properties. As an asset manager, the Commercial Real Estate Division oversees the billing and revenue collection from these agreements, monitors compliance with these agreements, and negotiates amendments or new agreements for this portfolio.

The major properties managed by the Commercial Real Estate Division are shown on the diagram on the next page and described in the following pages. As with all properties owned by the Port, the properties are subject to the tidelands trust restriction described under "PORT FINANCES—Tidelands Trust Properties." For certain economic and demographic information related to the Bay Area see APPENDIX G—"ECONOMIC AND DEMOGRAPHIC INFORMATION."

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COMMERCIAL REAL ESTATE PROPERTIES

Commercial Real Estate Properties. The following table lists the Port's commercial real estate properties, categorized by location.

TABLE 21
PORT OF OAKLAND
COMMERCIAL REAL ESTATE DIVISION PROPERTIES

Properties	Approximate Acreage	Number of Agreements	Types of Uses
Jack London Square	41	40	Office, Retail, Hotel, Restaurant, Parking, Entertainment, Marinas
Embarcadero Cove	29	20	Office, Retail, Hotel, Industrial, Marinas, Restaurant
Oakland Airport Business Park/ Distribution Center	718[(1)]	12	Office, Retail, Hotel, Industrial, Distribution Terminal
Other Areas[(2)]	49	15	Industrial, Billboards and Antennae
Totals	**837**	**87**	

(1) Approximately 637 acres of this land are leased at nominal rent to the East Bay Regional Park District.
(2) Includes Oak-to-Ninth District.

Jack London Square. Jack London Square is a mixed-use waterfront commercial development, located along the Oakland Estuary at the foot of Broadway, approximately one-half mile from the Oakland City Center. This area includes office, retail, hotel, restaurant, parking and entertainment facilities and significant amounts of public access and event space. The Port owns the majority of the land in Jack London Square. Most of the Port's revenues in this area come from fixed ground leases and parking revenues.

In March 2016, Jack London Square Ventures, the Port's prior master lessee who controlled the majority of the ground leased sites in Jack London Square, assigned all of their ground leases, as well as the fee title to their two privately-owned parcels adjacent to Jack London Square, to CIM Group, LLC, ("CIM") which owns and manages these leased properties and sites under separate single purpose lease entities for each site. CIM is a nationally-recognized large-scale real estate investment and development group, with significant experience owning, developing and managing a variety of commercial, residential, hotel and mixed use properties in existing urban center markets.

In Jack London Square, the Port retains daily property management responsibilities for the building that houses its administrative offices (encompassing approximately 162,400 square feet), two parking garages, three surface parking lots, several freestanding restaurants, and the public common areas. As of September 1, 2020, the office and retail space in Jack London Square owned by the Port was approximately 92% leased.

The Port also owns the Jack London Marina, which contains 142 berths and a fuel dock, and is operated and managed by a third party under the terms of a 50-year lease and operating agreement, expiring April 30, 2054. This third party also manages and operates all of the other Port-owned recreational marinas located further east along the Oakland Estuary.

Embarcadero Cove. Embarcadero Cove consists of properties located along the Embarcadero roadway that runs along the waterfront of the Oakland Estuary, extending from 10th Avenue to 23rd Avenue. The Embarcadero Cove properties include four recreational marinas with a total of 357 berths, a public fishing pier, shops, offices, three hotels, several restaurants and Union Point Park.

The majority of these properties are leased by the Port to various tenants under long-term agreements. Under these leases, the tenant is responsible for the development, maintenance and operating costs of its facilities (except in limited circumstances where the Port has retained minor maintenance obligations) and must provide for minimum annual guaranteed payments to the Port. In some instances, the Port also receives a participation or variable rent payment derived from a portion of the tenants' gross revenues in addition to the minimum annual guaranteed amounts.

Oakland Airport Business Park/Distribution Center. The Port currently owns approximately 718 acres of the Oakland Airport Business Park/Distribution Center, of which approximately 637 acres are leased at nominal rent to the East Bay Regional Park District. Of the approximately 81 acres remaining, as of September 1, 2020, approximately 80 acres were ground leased to approximately twelve Port tenants. Most of the current lease agreements are long-term in nature and contain warehouse-distribution type tenants, storage yards for delivery/commercial vehicles, and one hotel.

Brooklyn Basin. The Brooklyn Basin project site consists of approximately 64 acres. In June 2013, Zarsion-Oakland Harbor Partners ("ZOHP") and the Port closed escrow on the project site. Total funds received by the Port from the property transfer were approximately $19.4 million. The Port transferred fee title for approximately 50% of the property at close of escrow, totaling approximately 32 acres, and executed a long term ground lease for the remaining approximately 32 acres with ZOHP for development of public open space, as well as a marina lease for development and renovation of two recreational marinas located on Port-owned water immediately adjacent to the site. To date, ZOHP has completed most of the Phase 1 on-site infrastructure required for the projects, such as roadway enhancements and installation of new utility infrastructure, street lights, paving of interior roadways, etc., as well as certain remediation work. Construction of the two residential buildings within the first phase and the first phase of the open space commenced in May 2017 and was completed in early 2020. The first of these two buildings is currently in active leasing to residential tenants and the City of Oakland plans to take title to the first phase of the open space parks in 2020, as contemplated in the executed Open Space Ground Lease with ZOHP. The project also includes a long-term lease of two recreational marina areas within the project site, which ZOHP intends to refurbish and expand as part of the overall project. ZOHP is currently pursuing an amendment to the City of Oakland project entitlements for the project to increase and relocate a portion of the marina lease premises to allow for larger sized berth slips.

Other Areas. The Commercial Real Estate Division also manages, and collects revenue from, several stand-alone radio towers, billboards and cellular communications poles, most of which are located in the Seaport area near the Bay Bridge.

Howard Terminal. As mentioned in the Maritime Division section above, the Commercial Real Estate Division is actively engaged in negotiations with the Oakland Athletics as per the ENTS approved by the Board in May of 2019, to pursue the potential redevelopment of the Howard Terminal site for a waterfront ballpark mixed use project for the Oakland Athletics baseball team. The Howard Terminal site is located immediately adjacent to Jack London Square. Further information regarding the status of this effort is described within the Maritime Division section.

Commercial Real Estate Revenues. The Commercial Real Estate Division generated approximately $16.6 million or 4.4% of the Port's total operating revenues in Fiscal Year 2020. In Fiscal Year 2020, approximately 72.8% of the operating revenues were derived from minimum base rents, followed by approximately 15% from parking revenues and approximately 12.2% from participation or variable rent. Approximately 61% of the revenues come from minimum base rents on properties leased under long-term ground leases that provide that the lessees are responsible for maintaining the buildings and leasing out individual spaces to any sub-tenants. Commercial Real Estate revenues categorized by property location are set forth in the following table.

TABLE 22
PORT OF OAKLAND
COMMERCIAL REAL ESTATE DIVISION
MAJOR SOURCES OF OPERATING REVENUE
FISCAL YEAR 2020

Source	Revenue
Jack London Square	$ 7,707,858
Embarcadero Cove	3,347,697
Oakland Airport Business Park/Distribution Center	3,769,633
Brooklyn Basin & Other Areas	1,658,733
Utilities	101,723
Total	**$16,585,645**

The top ten individual sources of operating revenue for the Commercial Real Estate Division in Fiscal Year 2020 are presented in Table 23.

TABLE 23
PORT OF OAKLAND
COMMERCIAL REAL ESTATE DIVISION
TOP TEN SOURCES OF COMMERCIAL REAL ESTATE OPERATING REVENUE
FISCAL YEAR 2020

Source	Revenue
1. Jack London Square Port public parking	$1,932,425
2. United Parcel Services	1,121,194
3. Oakland Airport Hilton	924,839
4. Embarcadero Executive Inn	872,491
5. Jack London Square Associates	663,037
6. United Parcel Services – (Land)	662,484
7. Oakland Hospitality, LLC	618,250
8. Beverages and More	586,831
9. JLS Ventures 55 Harrison	562,027
10. Yoshi's Restaurant	503,700
Total	**$ 8,447,278**

Impact of COVID-19 on Commercial Real Estate. Lease revenue from the Port's commercial real estate facilities and from public parking declined due to impacts of the COVID-19 pandemic on the Port's tenant businesses. In Fiscal Year 2020, Commercial Real Estate revenues amounted to $16,585,645, which reflects a decline of $1.4 million, or 7.9%, from Fiscal Year 2019 revenues. Relative to Fiscal Year 2020 budget estimates, Commercial Real Estate's Fiscal Year 2020 actual revenues are lower by $1.0 million, or 5.4%. In Fiscal Year 2021, Commercial Real Estate's revenues are projected to total $15.8 million, reflecting a $0.8 million or 5.1% decrease from Fiscal Year 2020 actual revenues.

The COVID-19 pandemic has impacted several Commercial Real Estate tenants' ability to operate their businesses. The shelter-in-place order issued by Alameda County in March of 2020 limited many restaurants, including the six restaurants located on Commercial Real Estate properties, to take-out or delivery services. While restaurants have been permitted to offer on-premise dining starting June 19, 2020, capacity restrictions on indoor dining continue to apply. It is unclear what new regulations will apply to dining and lodging businesses if and when Alameda County's shelter-in place order is further relaxed and/or lifted, and whether or not those new regulations will have a significant impact on the financial viability of these types of uses, particularly restaurant uses. It is anticipated that percentage rents from restaurants and hotel uses will decline significantly in Fiscal Year 2021. The same impacts are likely to affect the number of visitors frequenting Port-owned public parking facilities in Jack London Square, and coupled with the reduction in public parking due to the cancellation of all public festivals and waterfront celebration events that are typically scheduled during the summer and fall months in Jack London Square, these effects will result in a loss of parking revenues to the Port for several months.

The Board authorized a Rent Relief Program for the six direct restaurant tenants of the Port managed by the Commercial Real Estate Division in July 2020, which includes the equivalent of three months of rent abatement for April-June of 2020 and a rent deferral program for the entirety of Fiscal Year 2021, which equates to a reduction of approximately 75% of the minimum monthly rent for these restaurants for the fiscal year, but with all deferred rents owed for the following two fiscal years, paid in equal monthly installments in addition to regular contract rent. As of August 2020 it is anticipated that approximately five of the six restaurant tenants will take advantage of this Rent Relief Program. Going forward, there can be no assurance that Commercial Real Estate tenants will continue to meet their payment obligations in full and on a timely basis when billed, or whether any additional rent concessions, rent deferrals or abatements will be granted by the Port to such tenants in the future as a result of the impacts of the COVID-19 pandemic or otherwise.

Utilities

The Port provides utility services (electricity, gas, water, and sanitary sewer service) to Port facilities (both tenant-operated and Port-operated) in support of Aviation, Maritime, and Commercial Real Estate operations. In Fiscal Year 2020, utility sales generated approximately $16.7 million in revenue, with cost of sales at approximately $7.2 million. Approximately 98% of the Port’s utility revenues and 97% of the cost of sales were related to the sale of electricity. Revenues and expenses associated with utility services are allocated to the Aviation, Maritime and Commercial Real Estate Divisions, and capital projects related to utilities are included in the Port’s CIP.

Electricity.

For the provision of electricity service, the Port acts as a municipal utility for the Airport and portions of the Seaport. At Seaport facilities not served by the Port acting as a municipal utility, electricity is provided by Pacific Gas and Electric (“PG&E”), which serves the Northern California region, either directly to the tenant or through the Port’s distribution infrastructure at PG&E rates. The Port’s Commercial Real Estate area is served entirely by PG&E.

As a municipal electric utility, the Port owns the distribution power lines that serve all its tenants, purchases power from the wholesale market and schedules its generation purchases through the California Independent System Operator (“CAISO”). Transmission of power is provided by contractual agreements with PG&E using their infrastructure to deliver the electricity to the Port’s distribution infrastructure. The Port’s authority to impose and collect rates and charges for electric power and energy sold and delivered is established by Board ordinance and not subject to the regulatory jurisdiction of the California Public Utilities Commission (“CPUC”) and presently neither CPUC nor any other regulatory authority of the State of California nor the Federal Energy Regulatory Commission (“FERC”) approval is required for such rates and charges.

Although the Port is not subject to CPUC oversight with respect to rates and charges, the Port is under the jurisdiction of regulatory bodies including but not limited to FERC, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, California Air Resource Board

("CARB"), CAISO, and the California Energy Commission, which are federal and regional regulatory agencies. The Port continues to implement and comply with applicable regulations. The Port is unable to predict the impact of complying with any future legislation or regulatory proposals of the electric utility industry. See "INVESTOR CONSIDERATIONS—Future Regulation of the Electric Utility Industry."

The Port is a member of the Northern California Power Agency ("NCPA"), a joint powers agency, consisting of 16 members. NCPA provides power management, power generation, policy advocacy and other essential support services to members.

In May 2018, the Port converted Cuthbertson Substation from a PG&E retail to a Port wholesale facility. The conversion resulted in a substantial reduction in the Port's electricity cost of commodity, with no change in revenue, resulting in approximately $1.0 million in increased net income annually. This conversion also enables the Port to recover capital investment, operation and maintenance labor, and other costs, resulting in improved service to tenants.

Energy Portfolio. In Fiscal Year 2020, the Port purchased approximately 31% of its electricity needs through long-term agreements and 69% of its electricity needs from the wholesale market (including spot and forward purchases) through power trading companies. The Port currently has three long-term power purchase agreements with the Western Area Power Administration ("WAPA"), Longroad Energy, and East Bay Municipal Utility District ("EBMUD"), a California public utility. The WAPA take or pay contract expires in 2024, the Longroad Energy take and pay contract expires in 2027, and the EBMUD take and pay contract was extended through 2022. Negotiations to extend the contract with EBMUD are currently underway, but the Port cannot predict when any such negotiations may be concluded. With the Longroad Energy and EBMUD contracts, the Port only pays for the energy delivered, while the Port pays WAPA regardless of the amount of energy the project produces. These contracts include an obligation on the part of the Port to make payments or post collateral contingent upon the occurrence or nonoccurrence of certain future events, including events that are beyond the direct control of the Port. See "INVESTOR CONSIDERATIONS—Contingent Payment Obligations" and—"Risks Associated with Power Purchase Agreements." The Port continues to look for and evaluate other similarly structured long-term power purchase agreements.

As of July 1, 2020, the Port had an outstanding commitment of approximately $2.3 million in forward power purchases through Fiscal Year 2021. The Port's outstanding commitment is valued at approximately $2.1 million based on indicative market prices as of June 30, 2020. The value of the Port's outstanding commitment changes daily based on a variety of market factors that are beyond the Port's control. The Port's current forward power contracts and long-term power purchase contracts are expected to provide approximately 53% of the Port's power requirements through December 31, 2021, and the Port anticipates satisfying its remaining power requirements through future long term contracts, renewable generation contracts, and spot market transactions.

The Port's Energy Risk Management and Procurement Program includes guidelines and a laddering strategy for its forward power contracts to mitigate price risk and diversify its forward power contracts by transacting with several counterparties in order to reduce its counterparty risk, and is intended to follow electric industry-wide risk management policies. In June 2020, the Port joined the NCPA Market Purchase Program ("MPP") which enables NCPA to engage in forward power contract transactions to purchase energy and Renewable Energy Certificates ("RECs") at the direction of the Port. Through the MPP, the Port encourages reduced commodity costs due the increased number of energy brokers contracted with NCPA. To supplement the long-term power purchase contracts and forward power contracts, the Port has a continuous supply agreement with NCPA to purchase power for the Port on an as-needed basis and for emergencies, and to sell any excess power if needed. The Port does not expect a power interruption at its facilities, but no assurances can be given that such an interruption will not occur.

Renewable Energy. In 2011, the Board adopted Renewable Portfolio Standard ("RPS") policies to comply with the California Renewable Energy Resources Act, which, in part, requires California electricity providers to obtain at least 33% of their energy from renewable resources by the year 2020. In October 2015, California Governor Jerry Brown signed into law Senate Bill 350 ("SB350"), which mandated a 50% RPS by 2030. SB350 also includes annual RPS targets with three-year compliancy periods and requires 65% of RPS procurement to be derived from long-term contracts of 10 or more years. In 2018, Senate Bill 100 ("SB100") was signed into law, which again increases the RPS to 60% by 2030 and requires all the state's electricity to come from carbon-free resources by 2045.

The Port is actively working to procure eligible renewable sources of electricity and is currently negotiating with several counterparties on power purchase agreements for the purchase of eligible renewable sources of electricity. In March 2017, the Board approved a power purchase agreement with NCPA and four other NCPA members to purchase solar energy from a solar farm in the City of Lancaster that is estimated to be online in 2022. This purchase will help the Port exceed the requirement of 33% of its renewable energy purchases. Thus far, the Port has successfully met all of the RPS requirements of the California Energy Commission (CEC). No assurances can be given at this time that the Port will be able to fully comply with future RPS requirements. The Port may be exposed to higher costs in order to comply with the new RPS requirement. See "INVESTOR CONSIDERATIONS—Future Regulation of the Electric Utility Industry."

Gas, Water, Sanitary Sewer and Stormwater.

The Port provides and sells natural gas on a very limited, pass-through basis from the local investor-owned utility, PG&E. The Port provides water distribution and sanitary sewer collection infrastructure, through which EBMUD provides water commodity and sewer treatment services.

The Port, as the owner and operator of separate sewer and stormwater collection infrastructure, must comply with certain regulatory requirements of agencies including, but not limited to, the San Francisco Regional Water Control Board and the State Water Resources Control Board ("State Water Board"), U.S. Environmental Protection Agency ("EPA"), EBMUD, and the City. The Port has certain obligations to rehabilitate its collection system to, among other matters, reduce inflow and infiltration from surface water and groundwater. Federal and State laws and regulations and local ordinances are subject to change and may lead to more stringent operating and maintenance requirements which may impose additional costs on the collection, conveyance, and disposal of sanitary sewage. The Port currently anticipates that it will cost approximately $60 million to address sanitary sewer issues over the next couple of decades. No assurances can be given at this time that the Port will be able to fully comply with all applicable future laws and regulations as well as claims against the Port's sewer collection system for any failure to comply

Stormwater regulations also continue to become more stringent and lead to additional costs on the operating and maintenance of the stormwater infrastructure. On June 1, 2017, the State Water Board required the Port to comply with its 2015 Amendment to the Water Quality Control Plan for Ocean Waters of California to Control Trash (Trash Amendment) which requires dischargers, such as the Port, to prevent all trash from entering the stormwater collection system by 2030. The Port is reviewing its stormwater system to develop optimal trash control locations and to install and maintain the necessary trash collection devices in the stormwater system by 2030.

PORT FINANCES

The Port's audited basic financial statements for the Fiscal Years ended June 30, 2020 and 2019 are attached to this Official Statement as APPENDIX A—"AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019 AND INDEPENDENT AUDITORS' REPORT." The auditors opined that the financial statements presented fairly in all material respects the financial position of the Port at June 30, 2020.

For Fiscal Years 2003-2020, the Port and City used the accounting firm of Macias, Gini and O'Connell LLP to conduct the annual audit reviews. The Port's and the City's audit contracts with Macias, Gini and O'Connell LLP have been extended through Fiscal Year 2021.

Historical Operating Results

Table 24 presents the Port's historical Statement of Revenues, Expenses and Changes in Net Position for Fiscal Years 2016 through 2020 and is based on the Port's audited financial statements. Table 25 presents the Port's audited Statement of Revenues, Expenses and Changes in Net Position for Fiscal Year 2020, adopted budget for Fiscal Year 2021, unaudited two months year-to-date financial results for Fiscal Year 2021, and, for comparison purposes, unaudited two months year-to-date financial results for Fiscal Year 2020.

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TABLE 24
PORT OF OAKLAND
STATEMENTS OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEARS 2016 THROUGH 2020
($000s)

		2016	2017	2018[(1)]	2019	2020[(1)]
Operating Revenues						
Aviation		$173,067	$190,657	$204,293	$208,022	$186,589
Maritime		148,772	151,377	159,458	170,976	172,740
Commercial Real Estate		16,198	16,673	17,260	17,999	16,586
		338,037	358,707	381,011	396,997	375,915
Operating Expenses excl. Depreciation						
Aviation		(115,344)	(126,298)	(138,189)	(145,343)	(145,068)
Maritime		(55,738)	(52,854)	(57,031)	(59,757)	(65,590)
Commercial Real Estate		(10,075)	(9,634)	(10,325)	(10,932)	(10,721)
		(181,157)	(188,786)	(205,545)	(216,032)	(221,379)
Depreciation						
Aviation		(50,000)	(50,293)	(55,188)	(56,577)	(56,019)
Maritime		(51,397)	(53,448)	(54,334)	(55,934)	(55,300)
Commercial Real Estate		(2,680)	(2,514)	(2,510)	(2,410)	(2,664)
		(104,077)	(106,255)	(112,032)	(114,921)	(113,983)
Operating Expenses[(2)]		(285,234)	(295,041)	(317,577)	(330,953)	(335,362)
Operating Income	**(A)**	52,803	63,666	63,434	66,044	40,553
Non-Operating Revenues (Expenses)						
Interest Income		2,149	2,713	5,109	13,363	11,013
Interest Expense		(49,889)	(47,695)	(39,695)	(36,604)	(34,162)
Customer Facility Charges		5,939	6,010	5,525	5,421	3,890
Customer Facility Charges Expenses		(4,307)	(4,531)	(4,678)	(5,440)	(4,741)
Passenger Facility Charges		22,929	24,520	25,903	25,819	16,285
Grant Revenues[(2)]		1,419	1,001	324	454	--
Grant Expenses		(1,419)	(1,001)	(324)	(454)	--
Other Income (Expenses)		3,744	(1,844)	(22,009)	(3,278)	8,632
Gain on Lease Termination		35,200	5,526	---	--	--
Gain (Loss) on Disposal of Capital Assets		(629)	(2,869)	(5)	(10,864)	(2,616)
Total Non-Operating Income (Expenses)	**(B)**	15,136	(18,170)	(29,850)	(11,583)	(1,699)
Capital Contributions[(2)]						
Grants from Government Agencies	**(C)**	34,849	13,694	50,172	8,238	7,377
Change in Net Position	**(A+B+C)**	102,788	59,190	83,756	62,699	46,231
Beg. balance adjustment for adoption of GASB 75				(84,505)		
Net Position, beginning of the year		1,039,758	1,142,546	1,201,736	1,200,987	1,263,686
Net Position, end of the year		1,142,546	1,201,736	1,200,987	1,263,686	1,309,917

(1) See APPENDIX A for Port of Oakland Audited Basic Financial Statement for the Fiscal Years Ended June 30, 2020 and June 30, 2019.

(2) In Fiscal Year 2016 through Fiscal Year 2019, operating expenses that were reimbursed with grant revenue were reclassified to non-operating expenses. In Fiscal Year 2020 these expenses were reported as operating expenses and the grant revenue was recorded as capital contributions.

TABLE 25
PORT OF OAKLAND
UNAUDITED TWO MONTHS FINANCIALS FOR FISCAL YEAR 2020 AND FOR FISCAL YEAR 2021, AUDITED FINANCIALS FOR FISCAL YEAR 2020 AND ADOPTED BUDGET FOR FISCAL YEAR 2021
($000s)

	Unaudited 2 Months ending 8/31/2019[(1)]	Unaudited 2 Months ending 8/31/2020[(1)]	Audited Fiscal Year 2020[(2)]	Budget Fiscal Year 2021[(3)]
Operating Revenues				
Aviation	$35,978	$23,444	$186,589	$156,952
Maritime	28,543	25,964	172,740	167,276
Commercial Real Estate	3,107	2,358	16,586	15,747
	67,629	51,767	375,915	339,975
Operating Expenses excl. Depreciation				
Aviation	(16,263)	(13,516)	(108,391)	(101,696)
Maritime	(3,642)	(5,051)	(13,676)	(32,007)
Commercial Real Estate	(1,019)	(974)	(7,028)	(7,756)
Engineering & Environmental			(40,421)	--
Utilities Cost of Sales	(1,164)	(1,226)	(7,251)	(8,184)
Executive Office	(1,180)	(735)	(6,363)	(5,832)
Board of Port Commissioners	(97)	(82)	(595)	(568)
Office of Audit Services	(260)	(250)	(1,732)	(1,727)
Port Attorney's Office	(699)	(611)	(4,816)	(5,156)
Chief Operating Officer	(3,769)	(5,099)	(220)	(36,649)
Finance & Administration	(2,708)	(2,598)	(20,947)	(17,070)
Non-Departmental Expenses	(3,562)	(2,813)	(15,378)	(23,255)
Absorption of Labor & Overhead to Capital Assets[(4)]	855	1,140	5,439	4,978
	(33,508)	(31,810)	(221,379)	(234,922)
Depreciation	(19,075)	(19,310)	(113,983)	(125,179)
Operating Expenses	(52,583)	(51,121)	(335,362)	(360,101)
Operating Income (A)	15,045	646	40,553	(20,125)
Non-Operating Revenues (Expenses)				
Interest Income	404	636	11,013	4,800
Interest Expense	(5,948)	(5,499)	(34,162)	(33,052)
Customer Facility Charges	924	264	3,890	2,311
Customer Facility Charges Expenses	(769)	(606)	(4,741)	(2,311)
Passenger Facility Charges	4,395	406	16,285	11,942
Gain (Loss) on Sale (Disposal) of Capital Assets			(2,616)	(4,825)
Other Income (Expenses)	(1,143)	3,976	8,632	18,545
Total Non-Operating Income (Expenses) (B)	(2,138)	(823)	(1,699)	(2,591)
Capital Contributions				
Grants from Government Agencies **(C)**	160	977	7,377	17,470
Change in Net Position (A+B+C)	$13,068	$800	$46,231	$ (5,246)

(1) Results for the first two months are derived from unaudited financial information and are subject to year-end adjustments, including allocation of expenses to the Aviation, Maritime and Commercial Real Estate Divisions and GASB 68 adjustments related to pension accruals, and may not be indicative of results for the full Fiscal Year due to seasonality and other factors.
(2) See APPENDIX A for Port of Oakland Audited Basic Financial Statement for the Fiscal Years Ended June 30, 2020 and June 30, 2019.
(3) Budget numbers are based on the Port's expectations at the time the budget was adopted and may not be indicative of actual results.
(4) Labor and overhead costs that are capitalized.

Management Discussion and Analysis

Fiscal Year 2020 Compared to Fiscal Year 2019. Please see APPENDIX A—"AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019 AND INDEPENDENT AUDITORS' REPORT" for management's discussion and analysis of the financial performance of the Port for the Fiscal Years ended June 30, 2020 and June 30, 2019.

Two Months Ended August 31, 2020 Compared to Two Months Ended August 31, 2019 (Unaudited). For the two months ended August 31, 2020, the Port's operating revenues of $51.8 million were $0.8 million, or 1.6% lower than budgeted for such period, and $15.9 million, or 23.5%, lower than operating revenues of $67.6 million for the two months ended August 31, 2019. The operating revenue decrease was driven primarily by decreases in passenger-dependent revenue sources due to the COVID-19 pandemic, including decreases in Airport concession, rental car and parking revenues, aviation fueling and miscellaneous/other terminal revenues. Offsetting the declines in these aviation revenues were increases in terminal rent and other airport lease rentals. Aviation operating revenues were down $1.0 million or 4.0%, from the amounts budgeted for such period, and down $12.5 million or 34.8%, from the two months ended August 31, 2019. Maritime operating revenues were up $0.1 million or 0.4% from the amounts budgeted for such period and were down $2.6 million or 9.0% in comparison to the same time period for the previous fiscal year.

Operating expenses before depreciation for the two months ended August 31, 2020 of $31.8 million, were $4.7 million or 12.9% lower than budgeted for such period and $1.7 million or 5.0% lower than the same time period for the previous fiscal year. The decrease in operating expenses was driven primarily by decreases in personnel expenses and contractual services. Operating expenses including depreciation was 10.8% lower than budged for such period and $1.5 million or 2.8% lower than the same time period for the previous fiscal year.

The unaudited two months year-to-date financial results are not necessarily indicative of full-Fiscal Year-end financial results, and no assurances can be provided that full-Fiscal Year 2021 financial results will meet the adopted Fiscal Year 2021 budget. Port operating revenues and operating expenses are subject to seasonality and other variances, as well as unanticipated events, and cannot be annualized. Fiscal Year 2021 budget numbers are based on the Port's expectations at the time the budget was adopted and may not be indicative of actual results.

Debt Service Coverage

Historical Debt Service Coverage. The following table shows historical debt service coverage on the Senior Lien Bonds then outstanding for Fiscal Years 2016 through 2020 and debt service coverage on the Senior Lien Bonds, Outstanding DBW Loan and Intermediate Lien Bonds then outstanding for the same years. Due to the revisions to the debt service coverage calculation set forth in the Fourth Supplemental Intermediate Lien Trust Indenture and the Sixteenth Supplemental Senior Lien Trust Indenture, as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant," future coverage numbers will not be directly comparable to historical numbers.

TABLE 26
PORT OF OAKLAND
HISTORICAL BOND DEBT SERVICE COVERAGE
FISCAL YEARS 2016 THROUGH 2020
($000s)

	2016	2017	2018	2019	2020
Net Revenues[1]	$158,982	$172,552	$180,422	$194,104	$165,302
Senior Lien Bond Debt Service	$48,193	$44,365	$45,293	$46,133	$47,184
Senior Lien Bond Debt Service Coverage[2]	3.30	3.89	3.98	4.21	3.50
Senior Lien Bond, Outstanding DBW Loan and Intermediate Lien Bond Debt Service	$98,880	$99,454	$98,902	$93,188	$93,160
Senior Lien Bond, Outstanding DBW Loan and Intermediate Lien Bond Debt Service Coverage[2]	1.61	1.73	1.82	2.08	1.77

(1) Calculated as defined under the Intermediate Lien Indenture prior to the effectiveness of the amendments to the Intermediate Lien Master Trust Indenture that will be included in the Fourth Supplemental Intermediate Lien Trust Indenture. For a description of changes to be made to the calculation of Net Revenues, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant."
(2) Calculated as defined under the Intermediate Lien Indenture prior to the effectiveness of the amendments to the Intermediate Lien Master Trust Indenture that will be included in the Fourth Supplemental Intermediate Lien Trust Indenture, and prior to any similar changes to the rate covenant under the Senior Lien Indenture. For a description of changes to be made to the calculation of the Port's senior and intermediate lien debt service coverage calculations generally, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant."

Projected Debt Service Coverage. Table 27 presents the audited debt service coverage for Fiscal Year 2020, the budgeted debt service coverage for Fiscal Year 2021, and the projected debt service coverage for Fiscal Years 2022 through 2025. The projections were developed by the Port as part of the development of the Port's operating budget for Fiscal Year 2021, and the projected operating budget for Fiscal Year 2022 through 2025.

The projections in Table 27 take into account the Port's Senior Lien Bonds, Outstanding DBW Loan and Intermediate Lien Bonds outstanding as of November 1, 2020 (following the debt service payments due on such date), but do not reflect issuance of the 2020 Series R Senior Lien Bonds or any Additional Senior Lien Bonds, or the issuance of the 2021 Series H Intermediate Lien Bonds or any Additional Intermediate Lien Bonds, nor do they reflect the redemption of the Refunded Series P Bonds or the Refunded Series O Bonds or the repayment of the Outstanding DBW Loan. Table 27 does take into account the anticipated application of commercial paper proceeds (to be repaid with CARES Act grant funding) towards the payment of principal and interest on a portion of Senior Lien Bond and Intermediate Lien Bond debt service in Fiscal Years 2021 through 2023. The redemption of the Refunded Series P Bonds and the repayment of the Outstanding DBW Loan, each with the proceeds of the sale of the 2020 Series R Senior Lien Bonds, and the redemption of the Refunded Series O Bonds with the proceeds of the sale of the 2021 Series H Intermediate Lien Bonds, would each reduce the amount of debt service due beginning in Fiscal Year 2021. The projections in Table 27 do not take into account outstanding principal or interest payable on the CP Notes or other costs associated with the CP Notes, such as ongoing dealer or liquidity costs. Net Revenues as reflected in Table 27 are as defined in the Senior Lien Master Trust Indenture and the Intermediate Lien Master Trust Indenture as of the date of this Official Statement and are calculated in accordance with generally accepted accounting principles and based on the accrual basis of accounting, wherein revenues are recognized when they are earned, not when received, and expenses are recognized when they are incurred, not when paid. As a result, the Port's debt service coverage ratios do not reflect the Port's cash flow. Future calculations of Net Revenues and the Port's debt service coverage ratios will be calculated somewhat differently, and the debt service coverage ratios are likely to be higher, following the effectiveness of the amendments to the Intermediate Lien Master Trust Indenture set forth in the Fourth Supplemental Intermediate Lien Trust Indenture and the effectiveness of amendments to the Senior Lien Master Trust Indenture set forth in the Sixteenth Supplemental Senior Lien Trust Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant." Similar changes are anticipated to be made to the Senior Lien Master Trust Indenture pursuant to the Sixteenth Supplemental Senior Lien Trust Indenture to be entered into upon the issuance of the 2020 Series R Senior Lien Revenue Bonds, on or about December 3, 2020, as further described under "INTRODUCTION—The 2021 Series H Intermediate Lien Bonds."

The projections contained in Table 27 below are subject to numerous assumptions, including the availability of additional funding sources when needed and the completion of the CIP according to the current schedule. The projections also reflect further assumptions with respect to the Port's future operating revenues and operating expenses, and numerous other assumptions related to future activity in the Aviation, Maritime and Commercial Real Estate Divisions as of June 25, 2020. Operating revenues are assumed to grow at a compound annual growth rate of 2.5% from Fiscal Year 2020 (audited results) through Fiscal Year 2025. These assumptions reflect a gradual recovery from the financial impacts of the COVID-19 pandemic, as aviation passenger numbers are projected to increase to 122.7% of Fiscal Year 2020 passenger number by Fiscal Year 2025 and TEUs are projected to increase to 96.2% of the Fiscal Year 2020 levels over the same period. Operating expenses (before depreciation and amortization) are assumed to grow at a compound annual growth rate of 3.3% from Fiscal Year 2020 to Fiscal Year 2025, primarily due to rising pension, health care, major maintenance, security, and regulatory costs. Airport parking and ground transportation costs are also expected to rise as passenger activity levels recover over the forecast period.

No assurances can be given that the projections and future results discussed in this Section will be achieved. Future results, for example, could be adversely impacted by such factors as (i) unanticipated increases in expenditures or decreases in revenues, (ii) the unavailability of assumed funding sources when needed (particularly grants and other funding that may be subject to future governmental authorization or appropriation), or (iii) other adverse and unforeseen events or conditions affecting the Port. Actual results may differ materially from the forecasts described herein.

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TABLE 27
PORT OF OAKLAND
PROJECTED BOND DEBT SERVICE COVERAGE
FISCAL YEARS 2021 THROUGH 2025
($000s)

	2021 (Budgeted)(1)	2022 (Projected)(2)	2023 (Projected)(2)	2024 (Projected)(2)	2025 (Projected)(2)
Operating Revenue					
Aviation	156,952	181,628	194,222	211,556	217,769
Maritime	167,276	171,284	178,601	184,110	187,912
Commercial Real Estate	15,747	18,477	19,283	19,870	20,297
Total Operating Revenue(3)	339,975	371,388	392,107	415,535	425,978
Interest Income(4)	4,741	4,195	4,204	4,211	4,498
Operating Expense (excl. Depreciation)	(234,922)	(248,662)	(254,321)	(258,463)	(259,183)
Net Revenues(5)	$109,794	$126,921	$141,991	$161,283	$171,293
Senior Lien Bond Debt Service(6)	57,633	66,712	65,135	64,036	64,035
Senior Lien Bond, Debt Service Coverage(7)	1.91	1.90	2.18	2.52	2.67
Senior Lien Bond, Outstanding DBW Loan and Intermediate Lien Bond Debt Service(6)	78,585	80,427	80,347	93,163	93,169
Senior Lien Bond, Outstanding DBW Loan and Intermediate Lien Bond Debt Service Coverage(7)	1.40	1.58	1.77	1.73	1.84

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(1) Budgeted Fiscal Year 2021; does not reflect debt service savings as a result of the refunding of the Refunded Series O Bonds, or the anticipated repayment of the Outstanding DBW Loan and refunding of the Refunded Series P Bonds.

(2) Projected Fiscal Years 2022-2025; does not reflect debt service savings as a result of the refunding of the Refunded Series O Bonds, or the anticipated repayment of the Outstanding DBW Loan and refunding of the Refunded Series P Bonds.

(3) May not total due to rounding.

(4) Reflects total interest income less interest earned from funding sources that are excluded from the coverage calculation, including PFCs and CFCs.

(5) Calculated as defined under the Senior Lien Indenture prior to the amendments to the Senior Lien Master Trust Indenture that will be included in the Sixteenth Supplemental Senior Lien Trust Indenture. For a description of changes to be made to the calculation of Net Revenues, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant."

(6) Fiscal Year 2021, Fiscal Year 2022 and Fiscal Year 2023 senior debt service has been decreased by $7.8 million, $9.5 million and $9.2 million respectively, while intermediate lien debt service has been similarly decreased by $6.7 million, $3.2 million and $3.6 million. This reflects the proceeds of commercial paper borrowings, to be repaid by the application of CARES Act funds, to make payments on these debt service amounts.

(7) Calculated as defined under the Senior Lien Indenture prior to the amendments to the Senior Lien Master Trust Indenture that will be included in the Sixteenth Supplemental Senior Lien Trust Indenture, and prior to any similar changes to the rate covenant under the Intermediate Lien Indenture. For a description of changes to be made to the calculation of the Port's senior and intermediate lien debt service coverage calculations, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Rate Covenant."

Investments

Moneys held by the Intermediate Lien Trustee under the Intermediate Lien Indenture, including moneys in the Debt Service Funds (and the accounts therein) and the Reserve Funds (including the Intermediate Lien Common Reserve Fund), may be invested at the direction of the Port in Permitted Investments pursuant to the Intermediate Lien Indenture.

The Charter requires that all moneys held in the Port Revenue Fund be deposited in the City Treasury. Currently, the Treasury Manager of the City (the "City Treasurer") has the authority to invest such funds in accordance with the City's investment program. As of August 31, 2020, approximately $551.5 million consisting of moneys in the Port Revenue Fund, PFC funds, and other restricted and unrestricted cash were invested as part of the City's investment program, comprising approximately 45.5% of the pooled moneys invested, based on preliminary August 2020 figures provided by the City Treasurer. The weighted average maturity of all investments held by the City Treasurer, including the Port Revenue Fund, as of August 31, 2020, was 231 days.

The City's investment program is governed by an investment policy (the "Investment Policy") prepared annually by the Treasury Division of the City's Finance and Management Agency and usually adopted by the City Council in late June. The current Investment Policy was adopted on June 21, 2016. The Investment Policy provides the permitted investments, credit standards, investment objectives, oversight, trading policies and mandatory standards, and other specific constraints for the City's investment program. The Investment Policy may be modified from time to time.

The City is in possession of Pledged Revenues (or portions thereof), and is expected to invest Pledged Revenues held in the Port Revenue Fund as part of the City's investment program.

Other Reserve Funds. As described above under "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS – Other Funds and Accounts," the Board has established, and the Port maintains, the Port Bond Reserve Fund, the Operating Reserve Fund and the Capital Reserve Fund, which are not held by the Intermediate Lien Trustee. These are internal funds of the Port funded with Port revenues (not bond proceeds) and are separate from the debt service reserve funds (including the Senior Lien Common Reserve Fund) established under the Senior Lien Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Intermediate Lien Common Reserve Fund." The Board is not obligated under Intermediate Lien Indenture or the Senior Lien Indenture to maintain these funds and they may be revised or eliminated at any time.

Pension and Other Post-Retirement Benefit Plans

California Public Employees' Retirements System Plan. All full time and certain other qualifying employees of the Port are eligible to participate in the Public Employees' Retirement Fund, which is a multiple-employer defined benefit retirement plan administered by the State of California's Public Employees Retirement System ("CalPERS"). The obligation of the Port to make payments to CalPERS to fund retirement benefits for Port employees constitutes a significant financial obligation. Retirement-related costs have increased in recent years and are expected to increase significantly in the foreseeable future. The amount of such increases will depend on a variety of factors, including but not limited to investment returns and actuarial assumptions.

For more information, see Note 9 in APPENDIX A—"AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019 AND INDEPENDENT AUDITORS' REPORT."

Port employees participate with other departments of the City in the Miscellaneous Plan of the City of Oakland (the "Miscellaneous Plan") administered by CalPERS. The Port's proportionate share of the Miscellaneous Plan is determined based on the Port's employer contributions divided by the total Miscellaneous Plan employer participants' contributions for a particular measurement period. For Fiscal Year ended June 30, 2020, the Port's proportionate share of the Miscellaneous Plan was 23.84%. The Miscellaneous Plan provides retirement, disability and death benefits based on the employee's years of service, age and compensation. The Miscellaneous Plan is a contributory plan deriving funds from employer contributions as well as from employee contributions and earnings from investments.

CalPERS prepares annually an actuarial valuation of the Miscellaneous Plan as of June 30th of the Fiscal Year ended approximately 13 months before the actuarial valuation is prepared (thus, the actuarial valuation delivered to the Port in July 2020 was as of June 30, 2019). Included in the actuarial valuation is the employer annually required contribution. CalPERS rules require the Port to pay the employer annually required contribution. The employer contribution rates were historically expressed as a percentage of CalPERS-eligible payroll for the Fiscal Year immediately following the Fiscal Year in which the actuarial valuation is prepared (thus, the employer contribution rates based on the actuarial valuation as of June 30, 2019, which was prepared in Fiscal Year 2020, are for the Fiscal Year 2022). Beginning with Fiscal Year 2018, the employer's normal costs are expressed as a percentage of CalPERS-eligible payroll, and required contributions toward the plan's unfunded liability are expressed as a fixed dollar amount. This change is meant to address potential funding issues that could arise from a declining payroll or reduction in the number of active members in the plan.

The Fiscal Year 2021 annual employer contribution rate and unfunded liability contribution are calculated based on many assumptions, including a discount rate of 7.00% (compounded annually and net of expenses), an inflation rate of 2.50% (compounded annually), overall payroll growth of 2.75% (compounded annually). Port employees are required to contribute 7.25 - 8% of their annual CalPERS-eligible earnings to the Miscellaneous Plan. See "—Pension Reform" below for additional information.

The Port makes additional replacement benefit contributions on a pay-go basis to CalPERS on behalf of certain high-earning employees who have retired and are eligible for pension benefits exceeding specific IRS funding limits. In Fiscal Year 2020, the Port made and recognized as operating expenses replacement benefit contributions of $0.4 million. The Port also makes annual fixed payments to CalPERS on behalf of certain employees who were reclassified from the Miscellaneous Unit to the Safety Unit for a period of time during the employment at the Port. See Note 9 in APPENDIX A—"AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019 AND INDEPENDENT AUDITORS' REPORT" for more information.

In Fiscal Year 2020, the Port made cash pension contributions to CalPERS totaling $24.6 million. Fiscal Year 2021 cash pension contributions are budgeted at $26.8 million.

Additional information regarding CalPERS can be found at www.calpers.ca.gov. No information contained on or that can be accessed through the CalPERS website is incorporated by reference into, or otherwise a part of, this Official Statement.

<u>Funding Status</u>. As of June 30, 2019, the date of the most recent actuarial valuation report, the market value of the assets ("MVA"), in which the Port and other departments of the City participate, was $2.0 billion, and the actuarial accrued liability was approximately $2.9 billion (as compared to approximately $1.9 billion and $2.8 billion, respectively, as of June 30, 2018). The Miscellaneous Plan was approximately 67.3% funded (on an MVA basis) as of June 30, 2019, as compared to approximately 66.7% as of June 30, 2018. The unfunded actuarial accrued liability of the Miscellaneous Plan (on an MVA basis) was approximately $951.9 million as of June 30, 2019, as compared to approximately $939.5 million

as of June 30, 2018. As of June 30, 2020, approximately 23.84% of the accrued liability of the Miscellaneous Plan is allocable to Port employees, and is therefore the responsibility of the Port. As of June 30, 2020, the Port recognized a net pension liability of $215.5 million on its balance sheet.

Prospects. In the June 30, 2019 actuarial valuation of the Miscellaneous Plan, the normal cost is projected to decrease from 11.85% in Fiscal Year 2022 to 10.30% of CalPERS-eligible payroll through the projection period of Fiscal Year 2027, and the unfunded accrued liability contribution will increase from $88.3 million in Fiscal Year 2022 to a high of $99.9 million in Fiscal Year 2024, before it begins to decrease to $83.9 million in Fiscal Year 2027. The projected normal cost percentages reflect that the normal cost will decline over time as new employees are hired under the California Public Employees' Pension Reform Act of 2013. The projection also assumes that all actuarial assumptions will be realized, including an assumed rate of return of 7.0%.

For financial reporting purposes, pension expense is recognized based on changes in the total net pension liability and not annual cash contributions; therefore pension expense could be significantly different than cash contributions in any given year. Changes to net pension liability include increases for additional service years recognized, reductions for increases to plan assets, and adjustments for actuarial assumptions, differences in expected and actual experiences, differences in projected and actual investment earnings, and changes to the Port’s proportionate share of the total liability. Adjustments due to differences in projected to actual investment earnings are amortized over five years and all other adjustments are amortized over the expected average remaining service lifetime (“EARSL”) of the Miscellaneous Plan’s members. As of June 30, 2020, the Miscellaneous Plan’s EARSL was estimated at 3.0 years. In Fiscal Year 2020 the Port recognized pension expense of $37.1 million.

Pension Reform. On August 31, 2012, the California Legislature passed AB 340, the California Public Employees’ Pension Reform Act of 2013. The bill, among other things, provides for greater cost-sharing of pension costs by employees, increases the retirement age for new employees, prohibits pension spiking, caps pensionable income for new employees, further restricts the ability of retirees to work for an employer in the same retirement system, eliminates retroactive benefit increases, prohibits the purchase of unqualified service credit, prohibits pension holidays and requires forfeiture of pension benefits upon certain felony convictions.

Other Post-Employment Benefits. The Port provides certain lifetime medical, dental and vision coverage for eligible retirees and their dependents (“OPEB”). In accordance with the provisions of GASB Statement No. 75, the Port has recognized a net OPEB liability for the obligations to pay OPEB to current and future retirees based on the present value of benefits that are attributed to past service, less the value of the plan’s fiduciary net position. The Port has established a trust to fund future obligation with CalPERS’s California Employer’s Retiree Benefit Trust Fund (the “CalPERS Trust”) and makes annual contributions to the CalPERS Trust based on the annual actuarially determined contribution. According to information provided by the CalPERS Trust, the CalPERS Trust is an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs. According to the CalPERS Trust, total assets under management in the CalPERS Trust were approximately $9.8 billion as of June 30, 2020.

See also Note 10 in APPENDIX A—“AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019 AND INDEPENDENT AUDITORS’ REPORT” for more information.

Based on the most recent valuation of these benefits and as summarized in the most recent actuarial report that the Port has received with respect to its OPEB, as of the valuation date June 30, 2019, the total OPEB liability of the Port was approximately $175.2 million, the actuarial value of plan assets was approximately $88.0 million, the net OPEB Liability was approximately $87.2 million and the funded ratio was 50.2%. The actuarial report is based on several assumptions regarding demographic and economic matters, including an assumed discount rate of 6.75%, and increases to healthcare costs ranging from 3.00% to 6.00%.

For Fiscal Year 2020, the Port paid approximately $12.1 million for OPEB, of which approximately $4.2 million was contributed to the CalPERS Trust. Similar to pension costs, for financial reporting purposes, OPEB expense is recognized based on changes in the total OPEB liability and not annual cash paid; therefore, OPEB expense could be significantly different than cash payments in any given year. In Fiscal year 2020, the Port recognized $8.5 million in OPEB expense. The Port has budgeted approximately $12.2 million for OPEB for Fiscal Year 2021.

Tidelands Trust Properties

Most of the property on which the Airport, the Seaport and Commercial Real Estate are located is owned by the City and, pursuant to the Charter, is controlled and managed by the Port, subject to a trust imposed pursuant to more than a dozen tideland grants from the State. These grants date back as far as 1852. Property acquired by the Port subsequent to these grants with trust funds is also encumbered by the Tidelands Trust (the "Trust").

Certain requirements and restrictions are imposed by the grants. Generally, the use of lands subject to the Trust is limited under the terms of the grants to Statewide public purposes, including commerce, navigation, fisheries and other recognized uses. The Port may not sell any of the granted lands, except under certain limited circumstances, nor lease them for periods of more than 66 years. There are also certain limitations on the use of funds generated from the Trust lands and Trust assets. Trust-generated funds may be transferred to the City's General Fund only for Trust purposes as opposed to general municipal purposes. All amounts in the Port Revenue Fund in effect constitute funds subject to the Trust. None of the various restrictions on Trust funds is expected to adversely affect the operations or finances of the Port.

These tidelands grants and Trust assets may be subject to amendment or revocation by the State legislature, as grantor of the Trust and as representative of the beneficiaries (the people of the State). Under applicable law, any such amendment or revocation may not impair the accomplishment of Trust purposes, or impair the existing covenants and agreements between the Board and the Board's bondholders.

Port Payments to the City

The Port makes the following types of payments to the City pursuant to several memoranda of understanding:

Special Services. Payments for Special Services, including certain police services in the Maritime area and Jack London Square, and other administrative services provided by the City, are treated as a cost of Port operations pursuant to City Charter Section 717(3) Third Purpose and have priority over certain other expenditures of Port revenues. These payments are included as "Operating Expenses" in the Port's budget. Special Services expenses for Fiscal Year 2020 were approximately $1.4 million. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Flow of Funds Under the City Charter."

Aircraft Reserve Firefighting Services ("ARFF"). Payments for ARFF at the Airport are treated as a cost of Port operations pursuant to City Charter Section 717(3) Third Purpose and have priority over certain other expenditures of Port revenues. ARFF expenses in Fiscal Year 2020 were approximately

$6.2 million. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Flow of Funds Under the City Charter."

General Services and Lake Merritt. General Services are those services that are provided throughout the City, which include police, fire, street and traffic maintenance in the Port Area. Services that are provided specifically to the Port and not throughout the City are considered Special Services and not included in the methodology for calculating General Service payments. In general, the General Service payments are calculated based on a proration of the cost of each General Service that is provided on unleased Port property in the Port Area to the total land area on which the General Service is provided. Lake Merritt payments reimburse the City for maintenance expenditures made from City funds for Lake Merritt tidelands trust purposes. General Services payments and Lake Merritt payments are made pursuant to City Charter Section 717(3) Ninth Purpose. In Fiscal Year 2020, General Services expenses were $1.3 million and Lake Merritt expenses were $1.2 million. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Flow of Funds Under the City Charter."

In addition, the Port pays City Treasury management fees to the City and makes certain payments to the City's Landscaping and Lighting Assessment District, as well as other miscellaneous services. The Port is a participant in the Jack London Business Improvement District ("JLID"), and pays a proportional share, based on acreage owned within the area included in the JLID to the City for certain services related to streetscape cleaning, litter removal, and other related services. The Port also leases various parcels of land to the City for a *de minimis* amount.

Future Payments. Any new payment to the City by the Port for any services provided by the City, or for other purposes, must comply with federal legal requirements for the use of airport revenues, the State's requirements regarding the use of the State's tidelands trust revenues, and the Charter's requirements regarding the use of Port revenues. Any new or additional payments to the City, whether for services or for other purposes, will decrease the internally-generated funds available to the Port for operating and capital expenses and may increase the amount the Port must borrow to fund capital projects or cause the Port to reduce the projects in the CIP. The Port cannot predict what additional payments, if any, it may be required to make to the City in the future. The following table sets forth the Port's payments to the City for Special, General, Lake Merritt, and ARFF services for Fiscal Year 2020 (actual), Fiscal Year 2021 (budgeted) and Fiscal Years 2022 through 2025 (projected).

TABLE 28
PORT OF OAKLAND
PAYMENTS TO CITY
ACTUAL PAYMENTS FOR FISCAL YEAR 2020
BUDGETED PAYMENTS FOR FISCAL YEAR 2021
PROJECTED PAYMENTS FOR FISCAL YEARS 2021 THROUGH 2025
($000)

	2020 (Actual)	2021 (Budgeted)	2022 (Projected)	2023 (Projected)	2024 (Projected)	2025 (Projected)
Special Services	1,377	$1,473	$1,532	$1,593	$1,656	$1,723
ARFF	6,159	5,950	6,307	6,622	6,821	7,026
General Services & Lake Merritt	2,591	2,659	2,765	2,876	2,991	3,110
Total	10,127	10,082	10,604	11,091	11,468	11,859

Debt Policy

On March 9, 2017, the Board adopted the Port's debt policy. The debt policy identifies debt management objectives and provides a basis for the determination for when and what type of debt may be issued. The Port's debt policy is subject to future amendments. This policy does not authorize the issuance of any debt, and any debt issuance to finance or refinance capital project expenditures must be authorized by the Board under separate Board action. The failure of the Port to comply with any provision of its debt policy shall not affect the authorization of the validity or enforceability of the 2021 Series H Intermediate Lien Bonds, or any other bonds or other forms of indebtedness that are otherwise issued in accordance with the law.

Risk Management and Insurance

Contractual Requirements. The Port imposes certain risk transfer requirements on Port tenants, vendors and contractors. Generally, the Port requires that entities doing business with the Port must defend and indemnify the Port from losses arising out of that entity's activities and/or products. The Port establishes insurance provisions in contracts that require tenants, vendors and contractors to maintain specified levels of insurance coverage in order to ensure that such entities are financially responsible and generally able to honor the obligations assumed in the indemnity/hold harmless provisions of their agreements with the Port.

Insurance. The Port purchases commercial insurance policies to cover catastrophic and other losses that cannot prudently be assumed by the Port. These policies include excess liability, airport liability, general property including terrorism, business interruption and cyber, automobile liability (and additionally, insurance covering physical damage to Airport buses and shuttles), public officials' errors and omissions including employment practices liability, fiduciary liability, fidelity insurance, crane physical damage including earthquake and terrorism, earthquake damage at the Port's administration building, excess worker's compensation and environmental liability. From time to time, the Port may change the types and limits of insurance coverage that it carries based on a variety of factors, including commercial availability. However, the Senior Lien Indenture requires that the Board maintain insurance (which may include self-insurance) with respect to the Port's facilities and maintain public liability insurance, in each case in such amounts and against such risks as are, in the judgment of the Board, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance provided by similar ports. The Port does not carry insurance protecting against earthquake damage to facilities other than the Port-owned container cranes, the Port's headquarters building, and certain electronic data systems throughout Port facilities. The limits of such insurance for earthquake damage are lower than the total replacement value of the assets covered. See "INVESTOR CONSIDERATIONS—Seismic Activity." In addition, the insurance policies maintained by the Port generally contain deductibles or self-insured retention and specified coverage limits and may not cover the total cost of damage produced by all events that may occur.

OCIP. The Port has established an Owner-Controlled Insurance Program ("OCIP") to manage the insurance risk of public works projects at the Port. The OCIP provides general liability, employers' liability and statutory workers' compensation insurance to contractors working on capital projects involving construction at the Port. The OCIP is an alternative to the Port relying on insurance provided by the contractors.

In addition, the Port carries the following policies to supplement the OCIP: contractors' pollution legal liability; and owner's protective professional indemnity providing protection to the Port for losses arising out of professional services in excess of the contractor's own professional liability insurance. The Port currently requires that its contractors provide their own builder's risk insurance. The Port may change the policies it carries to supplement the OCIP in the future.

Audits and Compliance Reviews

At all times, including the date of this Official Statement, there are audits and compliance reviews that arise in the normal course of the Port's activities. Such audits and compliance reviews may relate to any activity at the Port, and may be conducted by persons within or outside the Port, including but not limited to the Port's internal Office of Audit Services, granting agencies (such as the FAA), and a variety of other federal, state and local governmental agencies. The Port is not aware of any pending audit or review concerning matters that are likely to have a material adverse effect on its ability to pay the principal of, premium, if any, and interest on the 2021 Series H Intermediate Lien Bonds when due.

Environmental Compliance

The Port is required to comply with numerous federal, State and local laws, regulations, permits, orders and other requirements, which are referred to collectively as "environmental requirements" designed to protect the human and natural environment, human health and safety and to inform the public of important environmental issues and potential impacts of Port activities. The basic environmental assessment laws are the federal National Environmental Policy Act ("NEPA") and the CEQA. NEPA requires, among other matters, consideration and disclosure of the environmental impacts of projects or actions that are approved, funded, or carried out by federal agencies, while CEQA establishes similar requirements for projects or actions that are approved, funded, or carried out by State or local agencies, including the Port and also requires, among other matters, evaluation of project alternatives, mitigation monitoring, and mitigation of significant environmental impacts unless the lead agency adopts a Statement of Overriding Considerations deeming the adverse environmental effects of a significant impact "acceptable" if the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects.

Federal and state environmental requirements applicable to the Port include, without limitation, those that govern hazardous waste and materials, above and below ground storage tanks, toxic substances, water quality (including, storm water), historical landfills, dredged material, air quality, development along the shoreline, climate change, wetlands and waters of the U.S., and endangered species. The agencies that enforce these laws include, without limitation, the U.S. EPA and the United States Army Corps of Engineers, Alameda County Health Care Services Agency, Department of Environmental Health, the California Environmental Protection Agency, Department of Toxic Substances Control, the State Water Resources Control Board, CARB, the Bay Area Air Quality Management District, the San Francisco Bay Conservation and Development Commission, and the Regional Water Quality Control Board, San Francisco Bay Region.

In addition to complying with environmental requirements directly applicable to the Port, the Port monitors laws and regulations that may affect Port tenants, customers, and other users of the Port (collectively, "business partners") to determine if the costs of compliance could affect the Port's levels of activity and therefore its revenues or expenses. For example, in recent years, many regulations have been promulgated, primarily by the CARB, to address emissions of air pollutants from mobile sources associated with goods movement, including, but not limited to, cargo handling equipment, ships, and trucks. While these regulations may not directly apply to the Port or require the Port to take actions to ensure compliance, where appropriate and feasible, the Port may support its business partners, financially or otherwise, in complying with regulations, undertaking related projects, or designing compliance programs.

A significant portion of the Port's property has been used in the past for a variety of industrial and commercial purposes. Some of these former uses have left behind environmental contamination in the soil and groundwater. The Port's financial statements include accrued liabilities, which are established, reviewed and adjusted periodically, based on new information, in accordance with applicable accounting standards, for the estimated costs of compliance with environmental requirements and remediation of known contamination. As of June 30, 2020, the Port estimated that its contingent environmental liabilities amounted to approximately $16.2 million. The Port does not set aside funds to pay for such liabilities. The Port will likely discover additional environmental liabilities in the future, and the costs may be significant, decreasing the internally-generated funds available to the Port for operating and capital expenses. Payment of these costs may, in turn, increase the amount the Port must borrow to fund capital projects or cause the Port to reduce the number and scope of projects in the CIP.

Air Quality 2020 and Beyond Plan

On June 13, 2019, the Board approved the Port of Oakland Air Quality 2020 and Beyond Plan – The Pathway to Zero Emissions to provide the planning and implementation framework to reduce emissions from operations at the Seaport and improve air quality. Plan implementation reflects changing feasibility conditions over time, especially in technology, financial resources, and regulations. As a result, Plan implementation is broken into three planning horizons: Near-Term Phase (2019-2023), Intermediate-Term Phase (2023-2030), and Long-Term Phase (2030-2050). Each planning phase is expected to require substantial capital investments on the part of the Port, tenants, truck operators, and all other entities operating at the seaport. Costs to be borne by the Port in connection with the Air Quality 2020 and Beyond Plan will be included in the Port's future CIP.

Social Responsibility

The Port has developed a number of programs designed to make the Port's activities socially responsible to the communities served by the Port.

Local Business Utilization Policy. The Board adopted a Non-Discrimination and Small/Local Business Utilization Policy ("NDSLBUP") in 1997 to enable local and small local businesses to compete more effectively for participation in Port public works, consulting, and procurement contracts. To achieve this goal, the Port allocates preference points to Port-certified small and local businesses in the award of contracts. In addition, the NDSLBUP provides for the establishment of small local business support programs, which may include technical assistance programs, bonding programs, prompt payment programs, and advisory or training programs.

Disadvantaged Business Enterprise Program in Public Works and Concessions. The Port is committed to ensuring the participation of Disadvantaged Business Enterprises ("DBEs") in Port federally funded contracting opportunities in accordance with 49 Code of Federal Regulations Part 26, effective March 4, 1999, as may be amended. It is the policy of the Port to ensure nondiscrimination on the basis of race, color, sex, or national origin in the award and administration of the U.S. Department of Transportation assisted contracts. It is the intention of the Port to create a level playing field where DBEs can compete fairly for federally-funded construction and professional services contracts.

Furthermore, the Port encourages, supports and promotes the participation of Airport Concession Disadvantaged Business Enterprises ("ACDBEs") in concession-related opportunities at the Oakland International Airport in accordance with 49 Code of Federal Regulations Part 23, effective April 2005, as it may be amended. Similar to the DBE program, it is the policy of the Port to ensure that ACDBEs have an equal opportunity to receive and participate in concession opportunities.

Living Wage and Labor Standards. On March 5, 2002, the voters in the City passed Measure I, adding to the City Charter Section 728 ("Section 728") entitled "Living Wage and Labor Standards at Port-assisted Businesses." Section 728 requires Port Aviation and Maritime businesses that meet specified minimum threshold requirements to pay all nonexempt employees a "Living Wage" rate established by City Ordinance and adjusted annually based on the Consumer Price Index for the San Francisco, Oakland and San Jose area. Specifically, Section 728 applies to Port contractors and financial assistance recipients with the Aviation or Maritime divisions that have contracts worth more than $50,000 and that employ more than 20 employees who spend more than 25% of their time on Port-related work. The Board has adopted a resolution extending coverage of Section 728 to Aviation and Maritime Division tenants that have month-to-month tenancy.

The Living Wage rate as of July 1, 2020 is at least $14.98 per hour with credit given to the employer for the provision to covered employees of health benefits, and $17.19 without credit for the provision of health benefits. Section 728 provides covered employers with incentives to provide health benefits to employees, establishes a worker retention policy, requires covered employers to submit quarterly payroll reports to the Port and requires covered employers to allow Port representatives access to payroll records in order to monitor compliance and to allow labor organization representatives access to workforces during non-work time and on non-work sites.

Project Labor Agreement. As discussed under "CAPITAL PLANNING AND CAPITAL PROJECTS—Other Issues Affecting the Port's Capital Projects—Project Labor Agreements," Davillier-Sloan Inc., on behalf of themselves and the Port, and certain labor unions, entered into the Maritime and Aviation Project Labor Agreement (the "MAPLA").

Title VI of the Civil Rights Act of 1964. The Port has taken numerous steps and has prepared various plans and policies to comply with Title VI of the Civil Rights Act of 1964 ("Title VI") including, without limitation designating a Nondiscrimination Coordinator, preparing a Notice of Non-Discrimination, preparing a Grievance Procedure, preparing a Limited English Proficient Plan, preparing an Access for Members of the Public with Disabilities plan, preparing a Public Engagement Plan for the Oakland Army Base, and training Port staff.

PORT OPERATING BUDGET AND 2022-2025 PROJECTION PERIOD

General

The Port's operating budget is an essential and major component in the Port's overall planning and management process. The operating budget is a plan for each division's operating revenues and expenses and for Port-wide non-operating income and expenses. The Port's operating budget is intended solely for planning purposes, and nothing in the operating budget should be construed as an assurance of actual results. Actual results will vary and may vary materially.

The upcoming Fiscal Year operating budget is adopted through resolution of the Board. The operating budget may only be amended by a resolution of the Board. During the fiscal year, monthly variance reports are produced comparing actual monthly results to seasonally adjusted monthly budgets.

In conjunction with the development of its operating budget, the Port also develops financial forecasts for the subsequent four years, which are provided for informational and conceptual purposes only. Actual results will vary and may vary materially.

In conjunction with the development of its operating budget, the Port also engages in a capital planning process, which includes development of an updated 5-year CIP which is presented for informational and conceptual purposes only, and the adoption of a Fiscal Year capital budget. See "CAPITAL PLANNING AND CAPITAL PROJECTS" for further discussion of the capital planning process and for a description of the projects included in the current CIP.

Highlights of the Fiscal Year 2021 Budget and Fiscal Years 2022-2025 Projection Period.

The following summary sets forth the projections and assumptions of the Port for purposes of the Fiscal Year 2021 budget and the Fiscal Years 2022-2025 projection period, which were presented to the Board on June 25, 2020. On that date, the Board adopted the Fiscal Year 2021 budget. The Fiscal Years 2022-2025 projection periods were presented to the Board for informational and planning purposes only.

The Port's Budget Summary document represents its most recent and comprehensive view of its anticipated operational and financial performance for Fiscal Year 2021 and the following four fiscal years through Fiscal Year 2025. What follows is an outline of how the Port, using certain assumptions and projections of operational activities, creates its financial forecasts of revenue, expense, debt service coverage and liquidity. The operating revenue estimates for Aviation, Maritime and Commercial Real Estate are based on divisional input incorporating known market and competitive factors, analysis of existing contracts, and the execution of anticipated future contracts. The estimated operating expenses for Fiscal Year 2021 incorporate known and anticipated cost increases and decreases, with an emphasis on controlling expenses, while addressing core operational needs and ensuring adequate funding for key activities necessary to the maintenance and enhancement of the Port's competitiveness. Please refer to the guidance regarding risks and uncertainties relating to "forward-looking statements" as set forth in the fifth paragraph preceding the table of contents of this Official Statement.

Airport Activity Levels

In the Port's Aviation Division, there are two operational metrics that are considered foundational, in that they drive other metrics and directly impact revenues at the Airport. Over the long term, they are determined by the larger economic environment in which the Port operates, while over the short-term, they can be influenced by other factors such as the cost of operating at the Airport and competition among Bay Area airports. The following table sets forth the foundational aviation activity levels for enplanements and air cargo, along with two additional "derivative" aviation levels (parking transactions and landed weight) for Fiscal Years 2019 and 2020 (actual levels), Fiscal Year 2021 (budgeted levels), and Fiscal Years 2022 through 2025 (projected levels).

TABLE 29
PORT OF OAKLAND
AVIATION ACTIVITY LEVELS
ACTUAL LEVELS FOR FISCAL YEARS 2019 AND 2020
BUDGETED LEVELS FOR FISCAL YEAR 2021
PROJECTED LEVELS FOR FISCAL YEARS 2021 THROUGH 2025
(in thousands, except percentages)

Activity Level	2019 (Actual)	2020 (Actual) (Change From Fiscal Year 2019)	2021 (Budgeted) (Change From Fiscal Year 2020)	2022 (Projected) (Change From Fiscal Year 2021)	2023 (Projected) (Change From Fiscal Year 2022)	2024 (Projected) (Change From Fiscal Year 2023)	2025 (Projected) (Change From Fiscal Year 2024)
Enplanements	6,807	4,736	3,082	3,852	4,815	5,296	5,826
(thousands)		(30.4%)	(34.9%)	25.0%	25.0%	10.0%	10.0%
Air Cargo Volumes	1,329,820	1,246,477	1,111,624	1,111,624	1,181,657	1,240,739	1,364,813
(thousands of pounds)		(6.3%)	(10.8%)	0.0%	6.3%	5.0%	10.0%
Parking Transactions	892	609	395	494	617	679	747
		(31.7%)	(35.1%)	25.1%	24.9%	10.0%	10.0%
Landed Weight	11,397,869	9,673,324	8,075,114	8,072,752	8,577,299	9,006,164	9,906,781
(thousands of pounds)		(15.1%)	(16.5%)	(0.0%)	6.3%	5.0%	10.0%

Fiscal Year 2021 passenger enplanements are budgeted to decrease 34.9% from Fiscal Year 2020 levels, while air cargo is budgeted to decline only 10.0%. The substantial decline in budgeted Fiscal Year 2021 enplanements is based on several key assumptions: (a) many passengers will avoid air travel and true and meaningful recovery will not occur until a vaccine or treatment is available, which is not assumed to be available before the end of Calendar Year 2020, (b) month-to-month growth in passenger enplanement will steadily increase from the April 2020 lows but at a much higher rate in the second half of Fiscal Year 2021, with growth potentially stalling in the Fall of 2020 before picking up again due to the potential of a "second wave" of COVID-19, and (c) business travel is unlikely to return to pre-COVID-19 levels due to businesses adapting to web conferencing tools as an alternative to conducting in person meetings. With respect to air cargo, the Fiscal Year 2021 budget includes a less pronounced decrease in cargo volumes due primarily to an expectation that consumers and businesses will rely on more online purchases than at "brick-and-mortar" locations. For both metrics, recovery is anticipated to be relatively slow, with enplanements reaching only 85.6% of pre-COVID-19 Fiscal Year 2019 levels by Fiscal Year 2025. Cargo activity, in contrast, is expected to exceed Fiscal Year 2019 results by 2.6% by Fiscal Year 2025.

Other major aviation revenue sources will recover based on how quickly passenger and cargo activity returns at the Airport. Parking transactions, for example, are dependent on enplanement levels as well as passengers electing to park at the Airport rather than using other modes of transportation (i.e., TNCs) to and from the Airport as a precautionary measure to limit potential COVID-19 exposure. Landed weights, because they reflect both passenger and cargo activity, show a slower initial decline (showing cargo's resilience) as well as a slower recovery.

Aviation Division Revenues

The above operational metrics translate into revenue collections for the Aviation Division via the Port's airline rate setting methodology, the lease provisions of rental agreements, and the availability of outside funding sources to fund Airport operations. The table below sets forth Aviation Division revenues collected in Fiscal Years 2019 and 2020, budgeted Aviation Division revenues for Fiscal Year 2021 and projected Aviation Division revenues for Fiscal Years 2022 through 2025.

TABLE 30
PORT OF OAKLAND
AVIATION DIVISION REVENUES
ACTUAL REVENUES FOR FISCAL YEARS 2019 AND 2020
BUDGETED REVENUES FOR FISCAL YEAR 2021
PROJECTED REVENUES FOR FISCAL YEARS 2021 THROUGH 2025
($000)

	2019 (Actual)	2020 (Actual) (Change From Fiscal Year 2019)	2021 (Budgeted) (Change From Fiscal Year 2020)	2022 (Projected) (Change From Fiscal Year 2021)	2023 (Projected) (Change From Fiscal Year 2022)	2024 (Projected) (Change From Fiscal Year 2023)	2025 (Projected) (Change From Fiscal Year 2024)
Revenues	$208,022	$186,589	$156,952	$181,628	$194,222	$211,556	$217,769
		(10.3%)	(15.9%)	15.7%	6.9%	8.9%	2.9%
Cost per Enplaned Passenger	$12.21	$16.75	$20.68	$19.20	$15.47	$15.27	$13.92
		37.2%	23.5%	(7.2%)	(19.4%)	(1.3%)	(8.8%)

The budgeted and projected revenues set forth in the table above reflect certain expectations and assumptions regarding various revenue sources for the Aviation Division. For example, the revenues for Fiscal Years 2021 through 2023 reflect application of CARES Act funds to pay for certain aviation-related operating expenses and bond debt service, thereby reducing certain airfield and terminal expenses that would otherwise be passed through to the airlines through Airline Rates and Charges and, accordingly, reducing Aviation Division revenues. These budgeted and projected revenues also incorporate anticipated increases in certain airfield and terminal costs that will be recoverable from the airlines, and increased revenues from parking, terminal concessions and other revenue sources that are directly related to projected increases in passenger activity over the projected period. Passenger airline revenues which include landing fee and terminal revenues are projected to grow from $63.7 million in Fiscal Year 2021 to $81.1 million in Fiscal Year 2025. On a Cost Per Enplanement ("CPE") basis, the Airport projects a peak CPE of $20.68 in Fiscal Year 2021 followed by a gradual decrease over the next four fiscal years as travel activity returns and enplanements at the Airport approaches pre-COVID-19 levels.

Maritime Activity Levels

In the Maritime Division, the Port has largely insulated itself from the financial impact of lower global trade activities by operating as a landlord port, leasing operations to private tenants and relying upon rents fixed by lease agreements for a significant percentage of its overall Maritime Division revenues. Unlike Aviation Division concessionaires and airlines, the Port has not offered or granted MAG relief to any Maritime Division tenants. The variable component of these lease agreements is influenced by the state of global trade, and is dependent on overall TEU activity levels and the timing of activity fluctuations at the Seaport. The table below sets forth Maritime Division activity levels for Fiscal Years 2019 and 2020 (actual levels), Fiscal Year 2021 (budgeted levels), and Fiscal Years 2022 through 2025 (projected levels).

TABLE 31
PORT OF OAKLAND
MARITIME DIVISION ACTIVITY LEVELS (IN TEUS)
ACTUAL TEUS FOR FISCAL YEARS 2019 AND 2020
BUDGETED TEUS FOR FISCAL YEAR 2021
PROJECTED TEUS FOR FISCAL YEARS 2021 THROUGH 2025

2019 (Actual)	2020 (Actual) (Change From Fiscal Year 2019)	2021 (Budgeted) (Change From Fiscal Year 2020)	2022 (Projected) (Change From Fiscal Year 2021)	2023 (Projected) (Change From Fiscal Year 2022)	2024 (Projected) (Change From Fiscal Year 2023)	2025 (Projected) (Change From Fiscal Year 2024)
2,589,698	2,413,641	2,197,857	2,228,380	2,259,337	2,290,733	2,322,575
	(6.8%)	(8.9%)	1.4%	1.4%	1.4%	1.4%

The decline budgeted for Fiscal Year 2021 represents an assumed decrease in the demand for imported and exported goods primarily due to economic declines resulting from the COVID-19 pandemic. Thereafter, TEUs are expected to increase at a low, but steady rate.

Maritime Revenues

As noted above, the financial risks associated with activity downturns at the Seaport are partially mitigated using long-term lease agreements with MAGs. Operational metrics, however, can impact revenue collection via the remaining variable components of the lease agreements. The table below sets forth Maritime Division revenues collected in Fiscal Years 2019 and 2020, budgeted Maritime Division revenues for Fiscal Year 2021 and projected Maritime Division revenues for Fiscal Years 2022 through 2025.

TABLE 32
PORT OF OAKLAND
MARITIME DIVISION REVENUES
ACTUAL REVENUES FOR FISCAL YEARS 2019 AND 2020
BUDGETED REVENUES FOR FISCAL YEAR 2021
PROJECTED REVENUES FOR FISCAL YEARS 2021 THROUGH 2025
($000)

2019 (Actual)	2020 (Actual) (Change From Fiscal Year 2019)	2021 (Budgeted) (Change From Fiscal Year 2020)	2022 (Projected) (Change From Fiscal Year 2021)	2023 (Projected) (Change From Fiscal Year 2022)	2024 (Projected) (Change From Fiscal Year 2023)	2025 (Projected) (Change From Fiscal Year 2024)
$170,975	$172,740	$167,276	$171,284	$178,601	$184,110	$187,912
	1.0%	(3.2%)	2.4%	4.3%	3.1%	2.1%

The revenue numbers provided in the above table reflect certain expectations and assumptions regarding various revenue sources for the Maritime Division. For example, Fiscal Year 2021 revenue from maritime terminals is budgeted to decrease primarily due to a drop in variable revenue resulting from lower cargo volumes, as well as the removal from service of three Port-owned cranes, with such decreases expected to be partially offset by an increase in fixed rent at one marine terminal. Fiscal Year 2021 budgeted numbers also assume decreased revenues from rail terminals due to lower container activity, and decreases in truck parking and container depot revenue, as partially offset by certain rent increases or new tenancies. Revenue increases in subsequent Fiscal Years is based on projected TEU volumes, and current or anticipated maritime terminal, rail terminal, and other lease terms.

Commercial Real Estate Revenues

The table below sets forth Commercial Real Estate revenues collected in Fiscal Years 2019 and 2020, budgeted Commercial Real Estate revenues for Fiscal Year 2021 and projected Commercial Real Estate revenues for Fiscal Years 2022 through 2025. As detailed in the table below, Commercial Real Estate revenues are expected to decline in Fiscal Year 2021, but recovering to Fiscal Year 2019 levels within one year.

TABLE 33
PORT OF OAKLAND
COMMERCIAL REAL ESTATE REVENUES
ACTUAL REVENUES FOR FISCAL YEARS 2019 AND 2020
BUDGETED REVENUES FOR FISCAL YEAR 2021
PROJECTED REVENUES FOR FISCAL YEARS 2021 THROUGH 2025
($000)

2019 (Actual)	2020 (Actual) (Change From Fiscal Year 2019)	2021 (Budgeted) (Change From Fiscal Year 2020)	2022 (Projected) (Change From Fiscal Year 2021)	2023 (Projected) (Change From Fiscal Year 2022)	2024 (Projected) (Change From Fiscal Year 2023)	2025 (Projected) (Change From Fiscal Year 2024)
$17,999	$16,586 (7.9%)	$15,747 (5.1%)	$18,477 17.3%	$19,283 4.4%	$19,870 3.0%	$20,297 2.1%

Reduction in Fiscal Year 2020 and 2021 Commercial Real Estate revenues reflect a number of factors that can be attributed to the COVID-19 pandemic. Due to “shelter-in-place” and similar orders restricting economic activity, the Port anticipates lower public parking revenues, a decrease in percentage rents across Commercial Real Estate’s portfolio, and an increase in Commercial Real Estate’s bad debt reserve to account for negotiated rent deferrals. Commercial Real Estate revenues are expected to increase across all revenue categories after Fiscal Year 2021, reflecting higher percentage rents, upward adjustments to minimum rents as leases are renewed, the introduction of new tenants, and scheduled rent adjustments.

Port-Wide Operating Expenses

Operating expenses at the Port are driven by a number of personnel and non-personnel-related costs. Factors such as salary cost of living adjustments (“COLAs”), pension employer contributions and medical premiums affect personnel costs, while non-personnel cost are driven by the need for contractual services and COLAs associated with those contracts. The table below sets forth Port-wide operating expenses for Fiscal Years 2019 and 2020, budgeted Port-wide operating expenses for Fiscal Year 2021 and projected Port-wide operating expenses for Fiscal Years 2022 through 2025.

TABLE 34
PORT OF OAKLAND
PORT-WIDE OPERATING EXPENSES
ACTUAL OPERATING EXPENSES FOR FISCAL YEARS 2019 AND 2020
BUDGETED OPERATING EXPENSES FOR FISCAL YEAR 2021
PROJECTED OPERATING EXPENSES FOR FISCAL YEARS 2021 THROUGH 2025
($000)

2019 (Actual)	2020 (Actual) (Change From Fiscal Year 2019)	2021 (Budgeted) (Change From Fiscal Year 2020)	2022 (Projected) (Change From Fiscal Year 2021)	2023 (Projected) (Change From Fiscal Year 2022)	2024 (Projected) (Change From Fiscal Year 2023)	2025 (Projected) (Change From Fiscal Year 2024)
$330,953	$335,362	$360,101	$374,471	$378,697	$374,912	$377,008
	1.3%	7.4%	4.0%	1.1%	(1.0%)	0.6%

The Fiscal Year 2021 budget reflects 4% salary increases for Port personnel due to contractual provisions related to COLAs and step salary increases. However, the Fiscal Year 2021 numbers also reflect an assumed $4 million of labor concessions that have not yet been finalized with the labor unions operating at the Port and may not be realized. The Fiscal Year 2021 budget also reflects an $11 million expense reduction for contractual services, mainly related to operational declines due to the effects of the COVID-19 pandemic in areas such as parking operations, aviation planning studies, repairs and maintenance, US Customs and Border Patrol, and ARFF. In later Fiscal Years, the above projections assume salary adjustments at appropriately the rate of increase of the Consumer Price Index, as well as increases to various employee benefits, such as medical, dental, and vision premiums, and the pension employer contribution rate. These projections also assume anticipated labor adjustments that may be negotiated and realized, and increased contractual expenses to reflect cost of living adjustments and increased operations. No change in employee headcount is assumed for Fiscal Year 2022 through Fiscal Year 2025.

Port-Wide Cash & Liquidity

In the following table, the revenue and expense information from above is combined with other non-operating revenues and expenditures into a cash flow projection extending through Fiscal Year 2025, as presented in the Port's Fiscal Year 2021 Budget Summary. The figures shown below taken from the Port's Fiscal Year 2021 Budget Summary represent the Port's most current estimates of unrestricted cash inflows, outflows and fiscal year beginning/ending cash balances.

TABLE 35
PORT OF OAKLAND
CASH FLOW STATEMENT
ACTUAL CASH FLOW FOR FISCAL YEARS 2019 AND 2020
BUDGETED CASH FLOW FOR FISCAL YEAR 2021
PROJECTED CASH FLOW FOR FISCAL YEARS 2021 THROUGH 2025
($000)

	2020 (Actual)	2021 (Budgeted)	2022 (Projected)	2023 (Projected)	2024 (Projected)	2025 (Projected)
General Fund[(1)]	$371,533	$359,844	$341,997	$291,925	$233,494	$217,391
Port Bond Reserve Fund	30,000	30,000	30,000	30,000	30,000	30,000
Operating Reserve Fund	32,455	29,365	31,083	31,790	32,308	32,398
Capital Reserve Fund	15,000	15,000	15,000	15,000	15,000	15,000
Beginning Balance	448,988	434,209	418,080	368,715	310,802	294,789
Sources						
Operating Revenues	370,966	339,125	371,813	392,532	415,535	425,978
PFCs for Debt Service[(2)]	16,793	8,102	317	409	3,438	13,466
Interest Income[(3)]	10,847	4,238	3,692	3,701	3,708	3,994
Other[(4)]	12,196	30,835	12,735	12,821	-	-
Total Receipts	410,802	382,300	388,556	409,463	422,681	443,438
AIP, PFC Pay-Go, CFC, Other Grants[(5)]	6,266	21,324	25,663	29,043	25,528	22,885
Debt Proceeds[(6)]	-	12,735	12,821	-	-	-
Debt Proceeds (PFC-Supported)[(6)]	-	-	7,567	5,802	-	-
Total Capital and Financing Proceeds	6,266	34,059	46,051	34,845	25,528	22,885
TOTAL SOURCES	417,068	416,359	434,607	444,308	448,209	466,323
Uses						
Operating Expenses	(219,991)	(234,922)	(248,662)	(254,320)	(258,463)	(259,183)
Bond and DBW Debt Service[(7)]						
Principal	(52,997)	(55,065)	(57,543)	(60,412)	(63,591)	(66,676)
Interest	(41,304)	(38,036)	(35,619)	(32,756)	(29,570)	(26,491)
Total Bond and DBW Debt Service	(94,301)	(93,101)	(93,162)	(93,168)	(93,161)	(93,167)
CP Notes						
Principal[(8)]	(23,400)	(22,298)	(19,735)	(17,963)	(8,413)	(17,389)
Interest[(9)]	(929)	(1,181)	(1,067)	(872)	(835)	(752)
Total CP Notes Payments	(24,329)	(23,479)	(20,802)	(18,835)	(9,248)	(18,141)

Capital Expenses[10]	(47,117)	(72,305)	(115,673)	(130,070)	(93,755)	(87,800)
Other Payments[11]	(2,961)	(8,682)	(5,673)	(5,828)	(9,595)	(11,240)
TOTAL USES	(388,699)	(432,488)	(483,972)	(502,221)	(464,222)	(469,531)
Net Cash Flow (Sources less Uses)	28,369	(16,129)	(49,365)	(57,913)	(16,013)	(3,208)
Ending Balance	477,357	418,080	368,715	310,802	294,789	291,581

(1) Beginning General Fund balance for FY 2021 is an estimate. General Fund balances in subsequent years are projected.
(2) PFCs anticipated to be used to pay for debt service related to PFC-eligible CP Notes.
(3) Excludes non-cash interest accrual and interest income earned on PFC and CFC fund balances. Assumes interest rate of 1.40%, 1.30%, 1.30%, 1.30%, 1.40% in FY 2021 through FY 2025, respectively.
(4) Includes proceeds from the CARES Act, as well as cash received from deferred rents.
(5) The Port has not yet obtained grant funding for all capital projects described, some of which may not be ultimately implemented by the Port. See "CAPITAL PLANNING AND CAPITAL PROJECTS."
(6) Proceeds of CP Notes.
(7) Does not reflect debt service savings as a result of the refunding of the Refunded Series O Bonds, or the anticipated repayment of the Outstanding DBW Loan and refunding of the Refunded Series P Bonds.
(8) Includes principal repayments of outstanding CP Notes in each year ranging between $4 million and $20 million, plus anticipated repayment of PFC-eligible CP Notes, based on 5-year CIP and PFC revenue projections. See "CAPITAL PLANNING AND CAPITAL PROJECTS."
(9) Assumes interest rates of 1.60%, 1.60%, 1.60%, 1.70%, 1.80% in FY 2021 through FY 2025, respectively and CP Notes balance at end of FY of $66.0 million, $66.7 million, $54.5 million, $46.1 million, and $28.7 million, respectively.
(10) Based on the Port's 5-year CIP. See "CAPITAL PLANNING AND CAPITAL PROJECTS."
(11) Includes letter of credit fees, certain non-operating expenses City payments, retroactive pension contributions for ARFF staff and deferred prior year maintenance.

Operating Revenues. The Fiscal Year 2021 cash basis operating revenue estimate above represents a decline of $36.8 million, or 9.8% from the operating revenues received by the Port in Fiscal Year 2020, reflecting economic impacts from the COVID-19 pandemic. In subsequent years the projected revenues amount to a decline of $4.5 million in Fiscal Year 2022, followed by increases of $16.2 million, $39.6 million and $50.1 million in Fiscal Year 2023 – 2025 respectively, as compared to Fiscal Year 2020 actuals.

Operating Expenses. Fiscal Year 2021 budgeted operating expenses amount to $334.9 million and represent a decline of $24.7 million from the Fiscal Year 2020 budget. Compared with actual Fiscal Year 2020 operating expenses of $220.6 million, however, it reflects an increase of $14.3 million.

Over the next three fiscal years, the Port projects operating expenses will continue to increase relative to Fiscal Year 2020 actual operating expenses. Year-over-year during this period, however, it is anticipated that the rate of increase will decline. In Fiscal Year 2022 through Fiscal Year 2025, operating expenses are projected to increase by $14.3 million, $28.0 million, $33.7 million, $37.8 million and $38.5 million respectively as compared with actual operating expenses for Fiscal Year 2020. Over those same years, the percentage increase from the prior year will amount to 5.8%, 2.3%, 1.6%, and 0.3% respectively.

Capital Expenses. Partially as a result of the COVID-19 pandemic, the Port's current five-year CIP reflects a prioritization of health and life safety, regulatory compliance, policy and contractual obligations, and preservation and generation of revenue. In Fiscal Year 2021, this effort results in a $56.2 million decrease from the projected amount in the Fiscal Year 2020 five-year capital program. Projected capital expenditures for Fiscal Year 2022 are $11.0 million lower than the projected amount in the Fiscal Year 2020 budget. In Fiscal Year 2023 and Fiscal Year 2024, projects delayed in response to the COVID-19 pandemic have been reprogrammed, with projected expenditures increasing by $30.2 million and $0.4 million, respectively, compared to the projected amounts in the Fiscal Year 2020 budget.

Capital projects at the Port are funded with grants, PFCs, CFCs, Port-generated cash, and debt. From Fiscal Year 2021 through Fiscal Year 2025, total Airport Improvement Program ("AIP") grants (consisting of both AIP entitlement and discretionary funds) are estimated to be approximately $56.4 million. In Fiscal Year 2021, the Port anticipates using approximately $12.4 million in AIP grants. The AIP grants will be used on grant-eligible portions of airfield and apron-related projects. In addition, the CIP includes State Local Levee Assistance Program grant funds totaling $5 million to pay for eligible portions of the Airport Perimeter Dike.

The Port anticipates that approximately $63 million in PFCs will fund the costs of certain projects currently in the CIP. Amounts available for funding capital projects may vary from projections depending on how quickly air travel demand returns to pre-COVID-19 levels, and passenger willingness to travel. All projects that are currently under construction have FAA PFC imposition and use authority. FAA PFC imposition and use authority is needed for certain projects that are anticipated to occur later in the CIP.

The current CIP projects issuing approximately $13.4 million of CP Notes to fund projects that are PFC-eligible. The Port anticipates repaying these CP Notes with future PFCs over the next 5 years. However, increases in costs, decreases in PFC collections, or the addition of other PFC-eligible projects to the CIP, while not projected, may increase the amount of CP Notes necessary to be issued and a long-term financing take-out may be necessary, utilizing Additional Senior or Intermediate Lien Bonds.

*Bond, DBW and Commercial Paper Debt Service***.** Bond and DBW debt service represent fixed obligations of the Port. The figures specified above do not reflect the debt service savings anticipated to be realized from the refunding of the Refunded Series O Bonds and the Refunded Series P Bonds or the repayment of the Outstanding DBW Loan. Over the next three fiscal years (through Fiscal Year 2023) it is anticipated that $40.1 million of bond debt service applicable to the Airport will be paid from the proceeds of CP Notes, and the related CP principal will in turn be paid from CARES Act moneys.

Debt service on the CP Notes is payable from a combination of restricted funds (PFCs) and non-restricted, Available Revenues. Through Fiscal Year 2025, the principal of the CP Notes in the amount of $23.8 million and interest on the CP Notes in the amount $1.9 million is expected to be paid from PFCs. Correspondingly, the principal of the CP Notes in the amount of $21.9 million and interest on the CP Notes in the amount $2.8 million is expected to be paid from Port funds. Finally, it is anticipated that CP principal payments of $40.1 million will be funded with CARES Act grant reimbursements.

Ending Balance. The Port's unrestricted cash balance is budgeted to be $418.0 million at the end of Fiscal Year 2021 and is projected to decline to $291.6 million by the end of Fiscal Year 2025.

This decline is not as result of the COVID-19 pandemic, but rather represents a decision by the Port to finance its capital program using available cash, instead of other potential sources such as debt. As circumstances warrant, the Port may in the future elect to increase its ending cash balance by debt funding a larger percentage of its CIP.

CAPITAL PLANNING AND CAPITAL PROJECTS

Capital Planning

The Port maintains a five-year CIP, which consists of anticipated expenditures and funding sources for capital projects the Port plans to undertake over the next five years. The current five-year CIP (which consists of Fiscal Years 2021 through 2025) reflects prioritization of health and life safety, regulatory compliance, policy and contractual obligations, and preservation and generation of revenue. However, since the full economic and financial impact of the COVID-19 pandemic to Port operations is not yet known, Port management cannot, at this time, predict the ultimate magnitude of the impact of the COVID-19 pandemic on the CIP. Depending on the duration and severity of the pandemic, Port management may accelerate or further delay the start or completion of future capital projects in the CIP. The CIP does not currently include significant capacity expansion projects. Furthermore, staffing and funding constraints limit the amount of capital projects that can be completed at any one time.

The current CIP includes projects in the preliminary planning stage, and therefore the scope, cost, and schedule for such projects are subject to change. For projects that are underway, the scope, cost and schedule may also be revised through the normal course of project implementation and project management. The variance from the cost estimates shown in Table 36 could be material and may result in the Port issuing more additional indebtedness, including Senior or Intermediate Lien Bonds, than currently anticipated, or not undertaking certain projects. The failure to complete certain projects included in the CIP could significantly affect projected Port revenues.

The Port updates the CIP annually as part of its budgeting process. Projects may be added to or removed from the CIP as the needs of the Port evolve. The Port expects it will undertake additional significant capital projects to address aging infrastructure, competitive factors and future capacity constraints, but such projects and the timing thereof are currently too speculative to include in the Port's current CIP.

Projects in the CIP

The amounts shown in Table 36 represent estimated costs for numerous individual projects. The CIP has a total estimated cost of approximately $499.6 million, which includes estimated construction, engineering and overhead costs, and estimated allowances for cost escalation in connection with each project. The total estimated cost of the CIP exclusive of financing costs is allocated as follows:

TABLE 36
PORT OF OAKLAND
CAPITAL IMPROVEMENT PLAN
ESTIMATED COSTS BY DIVISION
FISCAL YEARS 2021 – 2025
($000s)

Aviation	$ 317,866
Maritime	170,702
Commercial Real Estate	8,865
Support Projects	2,170
Total	**$499,603**

Aviation Projects in the CIP. Aviation projects in the CIP total approximately $317.9 million. Major Aviation projects included in the CIP are described below.

- Airport Perimeter Dike Improvements. The perimeter dike separates the airfield from San Francisco Bay waters. Improvements are planned to protect the Airport against flood risk from severe storms, seismic events and sea-level rise, and to meet Federal Emergency Management Agency ("FEMA") flood control standards. Improvements are also planned to strengthen the Dike and improve stability against seismic activity. Design and environmental review are complete and construction has begun for the flood hazard phase (Phase 1) of this project. The CIP includes $54.8 million for the perimeter dike improvements. Approximately $5 million of the project costs is expected to be funded by a State Local Levee Assistance Program ("LLAP") grant. The LLAP was created in 2006 when California voters approved Proposition 84, which provided funds for programs to evaluate and repair local levees and flood control facilities.

FEMA has indicated that the dike is no longer accredited as providing 100-year flood protection, and the Port is planning to implement perimeter dike improvements to address this issue. Considering the Port's plans for the Airport perimeter dike improvements, FEMA has designated the southern area of the Airport (which includes the main air carrier runway, the passenger terminal areas, and FedEx and airline support services) as "Seclusion" in FEMA's Preliminary Flood Insurance Rate Maps ("FIRMSs"). While under "Seclusion" status, the southern area of the Airport will remain outside of the Special Flood Hazard Area. However, the Port cannot give any assurances as to how long FEMA would keep the "Seclusion" status on the southern portion of the Airport. For a discussion of the consequences of being in a Special Flood Hazard Area, see "INVESTOR CONSIDERATIONS—Uncertainties of the Aviation Industry—Regulatory Uncertainties.

- Airfield Projects. The paved surfaces at the Airport represent one of the single largest assets the Port maintains. It is critical to safe and efficient operations that the pavement undergo regular maintenance and rehabilitation. Approximately $70.7 million is included in the CIP for multiple pavement projects including taxiway, runway and apron improvements, airfield signage replacement, vehicle service roads, and Aircraft Rescue and Fire Fighting (ARFF) truck vehicle replacement.

  Taxiways Bravo and Victor are operationally critical taxiways that need to be rehabilitated over the next few years. There are signs of distress including joint cracking, rutting, and pavement raveling. The rehabilitation will be constructed in phases to meet funding and implementation needs. It is anticipated that these projects will be largely funded using AIP grants, including the local match provided as part of the federal CARES Act in federal Fiscal Year 2020. Approximately $19 million is included in the CIP for construction.

- Terminal Projects. The passenger terminal complex at OAK includes Terminal 1 (16 gates) and Terminal 2 (13 gates). Approximately $60.8 million is included in the CIP for terminal improvements. The terminal projects in the CIP address on-going infrastructure and customer service improvements including heating, ventilation, and air conditioning (HVAC) upgrades, restroom refurbishment, and customer service and efficiency upgrades.

  Modifications for curbside window walls for Terminal 2 will address improvements to the blast resistance of the window walls that separate the ticket counter areas from the vehicle curbsides. Concepts were evaluated based on TSA requirements and industry best practices. The CIP includes approximately $15.4 million for the window wall improvements which will be phased over the CIP period and the project is anticipated to be funded primarily with PFCs.

  Restrooms in the Terminal 1 concourse have been in service for more than 15 years, and restrooms in Terminal 2 for more than 10 years. The growing passenger demand experienced during the past few years (prior to the onset of the COVID-19 pandemic) has put additional stress on these aging facilities, requiring increased staff time and resources to clean and maintain to acceptable standards. Restroom upgrades will include gender-neutral facilities, modernizing finishes and installing low water use fixtures that meet current standards, extend life cycle, and ease maintenance requirements in the future. The CIP includes $17.2 million for restroom renovation, funded primarily with future PFCs.

- Ground Access and Parking. The CIP includes $20.8 million in Airport ground access-related projects intended to improve customer service, upgrade parking lot paving, and/or maintain revenues. It includes surface parking reconstruction projects, the Airport Drive pavement overlay, expansion of electric vehicle charging in the public parking lots and future shuttle bus procurement.

- Security Projects. Approximately $43.9 million is included in the CIP for Airport security projects. Key projects include vehicle access security gate hardening, completion of the Terminal 2 baggage claim security exit and installation of an integrated landside security camera system in the parking bowl, rental car center, and curbside locations.

  As part of OAK's continuing effort to increase security and enhance the passenger experience at the Airport, there is a Landside Security Camera project to expand the Airport's video surveillance system at a variety of landside areas. These areas include the rental car facility, public and employee parking areas, frontage roadways, and curbside of the terminal area. $25 million is included in the CIP for this project.

- Utilities Projects. Approximately $61.2 million has been included in the CIP for utility infrastructure projects. Water, stormwater, sewer, and electrical infrastructure are vital to the ongoing operation of Airport facilities; failures must be avoided through a combination of maintenance and on-going capital investment.

  Another $31 million is included in the CIP for Substation 1 (SS-1) and 2 (SS-2) upgrades. This infrastructure is critical to the power feed and distribution for the Airport. The scope of this project is to assess, rehabilitate and replace the aging substations, switchgears, and distribution system as necessary for system reliability.

  Other Projects. Approximately $5.6 million is included in the CIP for facilities maintenance projects including controls and system upgrades for power and energy management systems, LED Lighting, and building upgrades, as well as capital equipment purchases, pre-development work, and miscellaneous facility replacement projects.

Maritime Projects in the CIP. Maritime projects in the CIP total approximately $170.7 million. Major Maritime projects included in the CIP are described below.

- Seaport Logistics Complex. Between calendar years 2003 and 2007, the Port received 241 acres of property that were formerly part of the OAB. Since that time, the Port has been preparing the property for development. For additional information see "THE PORT OF OAKLAND—Maritime—Maritime Facilities." The CIP includes $20.4 million for infrastructure improvements, including completion of the new railyard, utilities and roadways for various tenants, and site preparation for interim uses during the phased development of the anticipated logistics complex. The Port anticipates that the construction of the logistics complex will be performed by private developers, based on market demand. See "—Other Maritime Investments" below.

- Marine Terminals. Approximately $29.6 million is included in the CIP for improvements to various marine terminals. Key projects include crane system upgrades, wharf upgrades for vessels capable of carrying 18,000 TEUs or more ("ULCVs"), additional shore power connections, and reconstruction/modernization of the Berths 9-10 area that includes the Port's dredged material re-handling facility.

- Utilities Projects. The CIP includes approximately $57.8 million for new utilities or utility upgrades such as substation replacement, sanitary sewer, storm water trash capture systems, and fire systems; $4.4 million for solar energy projects; and approximately $3.0 million for the early stages of a potential Seaport-wide electrification and resiliency program.

- Roadways. Approximately $21.7 million is included in the CIP for roadway improvements, almost exclusively for a new access road within the former OAB and the reconstruction of 14th Street, which is the main artery into and out of the former OAB, See "—Other Maritime Investments" below.

- Other. The CIP also includes $33.8 million for various other projects. The major projects include the Port's cost share for dredging the federal navigation channel, electric truck charging stations, reconstruction of portions of the dike and other infrastructure at Middle Harbor Shoreline Park, crane drive upgrades, completing a new primary Emergency Operations Center, and various capital equipment.

Other Maritime Investments. In addition to the expenditures outlined above, which have been included in the Port's CIP, certain of the Port's tenants and business/agency partners are planning other capital investments that are not included in the Port's CIP. In particular, tenants at the Port are looking to improve their leaseholds using their own funds, and other public agencies are making infrastructure improvements within the Seaport. Projects scheduled or anticipated to be performed by other parties over the next five years include:

- Centerpoint Properties signed a 66-year lease with the Port in 2018, for the construction and operation of a new 460,000 distribution facility on the former OAB at an estimated investment of $50 million. Construction is scheduled for completion in late 2020; the commencement of operations is pending agreement between Centerpoint and a subtenant/operator.

- TraPac and Everport intend to raise certain existing cranes and/or purchase new cranes, in order to accommodate larger ships. SSAT has already purchased three new cranes, which are currently scheduled to be placed in service at the OICT in late 2020/early 2021. New cranes currently cost in the range of $10-$13 million per crane. In addition to these crane investments, several tenants, including marine terminals, are expected, but not required, to invest in new equipment and infrastructure, including zero emission/hybrid yard equipment, operational changes to enhance efficiency, and facility reconfigurations. These investments are currently expected to be on the order of $20 million. If negotiations are successful for a bulk cargo terminal on the OHT (as discussed further under the caption "THE PORT OF OAKLAND—Maritime—Maritime Facilities," additional investments would be made.

- The Alameda County Transportation Commission ("Alameda CTC") and the Port are working together to design and implement the GoPort Program, which comprises (a) the Freight Intelligent Transportation System ("FITS") program and (b) a new, grade-separated 7th Street, known as the 7th Street Grade Separation Project ("GSP"). The whole Program is expected to cost about $650 million, of which about $330 million has been identified or secured from a combination of Measure BB Tax Measure, State/Local grants, and Port funds. FITS comprises a suite of demonstration projects intended to enhance truck flows on arterial streets in and out of the Seaport, and enhance security. The FITS is fully funded; construction has begun and is expected to be completed in late 2022. The 7th Street GSP is intended to reduce congestion, provide more efficient rail connections by eliminating certain at-grade conflicts, and enhance an existing pedestrian/bike path. The 7th Street GSP would be phased, with the 7th Street GSP East segment as the first priority; this segment is fully funded and construction is currently anticipated to begin in 2022. Alameda CTC intends to seek other funding sources, including local, state and federal grants, to complete the design and construction of the West segment. The scope and schedule for this segment has not yet been finalized.

Commercial Real Estate Projects in the CIP. Commercial Real Estate projects in the CIP total approximately $8.9 million. Projects include the Port's contribution toward building and tenant improvements, primarily in the Oakland Airport Business Park and Jack London Square properties.

Support Projects in the CIP. Support projects in the CIP total approximately $2.2 million and are primarily related to various information technology hardware and software replacements, upgrades and improvements.

Funding for Projects in the CIP

The Port expects that the CIP will be funded from a variety of sources, including AIP grants, PFCs, maritime grants, internally-generated Port funds and CP Note proceeds. The following table shows the projected funding sources for the Port's CIP.

TABLE 37
PORT OF OAKLAND
CAPITAL IMPROVEMENT PLAN
PROPOSED FUNDING SOURCES

FISCAL YEARS 2021 – 2025
($000s)

Internally-Generated Port Funds[1]	$361,791
PFCs Pay-Go	62,965
Aviation Grants	61,373
Commercial Paper Note Proceeds	13,369
Maritime Grants/Other	105
Total	**$499,603**

(1) Includes interest earnings on deposits pending expenditure.

The Port has not yet secured all the funding for the projects in the CIP. Further, the Port can provide no assurance that anticipated grants will be received in full, that reimbursable Port costs will be reimbursed in a timely manner, or that changes in project circumstances will not preclude award or receipt of grant funds. The amount projected to be available from each funding source is based on the estimated cost of certain projects and various other assumptions. Such estimates and assumptions are subject to change. Any such changes could have an impact on the Port's plans for funding the CIP, and such changes could be material. If grants, PFCs, CFCs, and/or cash are not available as anticipated, the Port will need to use other sources of funds for these projects, such as entering into public-private partnerships or other arrangements with tenants or other private parties or issuing additional CP Note proceeds, Additional Intermediate Lien Bonds, and/or Additional Senior Lien Bonds, or the Port will not undertake or complete these projects.

Project Funding Sources.

Internally-Generated Port Funds. Approximately $361.8 million of Port cash on hand and cash generated from future operations is expected to be used to fund projects in the CIP.

Passenger Facility Charges. The Port anticipates that approximately $63 million in PFC pay-go revenues will fund the costs of certain Aviation projects currently in the CIP. FAA PFC imposition and use authority is needed for certain projects that are included in the CIP.

Under the Federal Aviation Safety and Capacity Expansion Act of 1990, as amended and recodified, and together with the regulations promulgated thereunder (the "Federal Act"), the FAA may authorize a public agency that controls an airport to impose a PFC of $1.00, $2.00, $3.00, $4.00 or $4.50 (the current maximum level) for each air carrier passenger (subject to certain exceptions) enplaned at an airport controlled by such public agency. PFC revenues are to be used to finance airport projects approved by the FAA, including debt service and other financing costs on bonds or CP Notes issued to finance such specific projects. The eligibility of such projects is subject to certain restrictions, including limitations on the authorized uses. The authority to collect a PFC expires once collections reach a maximum amount prescribed by the FAA. The maximum collection amount may be unilaterally increased by up to 25% by the public agency charging the PFC or otherwise increased upon the approval of the FAA.

Under the Federal Act, all passenger air carriers serving an airport for which the FAA has authorized the collection of a PFC must collect such PFC at the time they sell an airline ticket to a passenger to be enplaned at the airport. The air carriers collecting a PFC on behalf of a public agency must remit the proceeds of the PFC to the public agency on a monthly basis, less any interest accrued on the investment of the proceeds of the PFC revenues they collect and $0.11 of each PFC collected as administrative compensation.

The Port is currently collecting a PFC of $4.50 per enplaned passenger. PFC revenue from commercial airlines during Fiscal Year 2020 was $16.3 million. While PFC collections reflect enplaning passenger activity, the timing of collections do not always coincide with enplanement data. Please see "THE PORT OF OAKLAND—Aviation—Airport Operating Revenues—Impact of COVID-19 on Airport Operating Revenues".

Aviation Grants. The Port anticipates that grants totaling $61.4 million will fund portions of the CIP. Approximately $56.4 million AIP grants are anticipated to be available to pay for airfield related projects. The AIP provides both entitlement and discretionary grants. Entitlement grants are based on two criteria: the number of enplaning passengers and the amount of landed cargo weight. The Port was awarded AIP entitlement grants totaling $4.4 million in Fiscal Year 2020. In addition, the Port received approximately $5.0 million from the State Local Levee Assistance Program ("LLAP") grant to pay for a portion of the Airport Perimeter Dike project.

AIP grants fund approximately 80% of AIP-eligible Airport projects. The Port is required to fund the remaining 20% from PFCs or internally generated cash. However, in an effort to mitigate the impacts of the COVID-19 pandemic, the CARES Act was signed into law on March 27, 2020, and includes $10 billion to be awarded to affected airports. A portion of the CARES Act funding will be used to eliminate the 20% local matching requirements to qualify for 2020 federal capital improvement grants. The remainder may be applied to any airport expenses (both operating and non-operating) that would otherwise be funded with airport revenues. The total amount of CARES funding expected to be allocated to the Airport is approximately $47.3 million, of which $2.5 million, representing the Port's 20% local matching requirement, is expected to fund AIP-eligible Airport capital projects.

Commercial Paper Note Proceeds. Based on the current CIP, the Port projects issuing approximately $13.4 million of CP Notes to pay for projects that are PFC-eligible. The Port anticipates repaying these CP Notes with future PFCs over the next 5 years. However, increases in costs, decreases in PFC collections, or the addition of other PFC-eligible projects to the CIP may increase the amount of CP

Notes necessary and a long-term financing take-out may be necessary, utilizing Additional Senior Lien Bonds or Additional Intermediate Lien Bonds.

Maritime Grants/Other. The Port expects to receive approximately $105,000 in grant funding to pay for security projects in the CIP.

Potential Projects Not Included in the CIP

In addition to the projects in the current CIP, the Port may develop and pursue additional capital projects in the next five years. For example, in September 2020, the Board approved the Port's engagement of a firm to perform environmental planning services in connection with a potential new terminal development at the Airport. There can be no assurance whether or when any such project, or any other project, will be added to the CIP or otherwise pursued by the Port.

Other Issues Affecting the Port's Capital Projects

Project Labor Agreements. The MAPLA was entered into in 2000 by Davillier-Sloan Inc./Parsons Constructors, Inc., on behalf of themselves and the Port, and the Alameda County Building and Construction Trades Council, AFL-CIO, and their affiliated unions (collectively, the "Unions"). The MAPLA has been amended and extended several times since its inception through November 2015. In February 2016, the Port and the Unions executed a revised MAPLA for a term of five years, expiring on January 31, 2021. The MAPLA provides for another five-year extension upon agreement with the unions and approval by the Board, which may be considered at a forthcoming Board meeting. The MAPLA currently covers most capital projects undertaken by the Aviation and Maritime Divisions and certain capital projects undertaken by the Port's tenants. Key elements of the MAPLA include an expedited dispute resolution system, uniform work rules among all project contractors, and a prohibition against strikes and lockouts by all signatories to the MAPLA. Additionally, the Unions have agreed to "social justice" programs, allowing access to union membership to all workers, with a preference for workers within the Port's Local Impact Area of Oakland, Alameda, Emeryville, and San Leandro, and development of training and employment programs for local area residents. The Unions have also committed to hire workers from disadvantaged backgrounds and delivering more apprentices into the trades. These social justice programs are designed to ensure a skilled work force for the Port's capital projects and increasing the number of local businesses that participate on these projects. The MAPLA also provides for a labor-community-contractor governing committee that ensures that the MAPLA's objectives are met. Bidding is not restricted to union contractors or union workers.

OCIP. The Port has established the OCIP to manage the risk of capital improvement projects involving construction at the Port. This program is described under "PORT FINANCES—Risk Management and Insurance."

INVESTOR CONSIDERATIONS

The factors discussed below, among others, should be considered in evaluating the ability of the Board to provide for the payment of the 2021 Series H Intermediate Lien Bonds and for other required payments. The considerations discussed below are not meant to be an exhaustive list of considerations associated with the purchase of the 2021 Series H Intermediate Lien Bonds, and the discussion below does not necessarily reflect the relative importance of the various considerations. Potential investors are advised to consider the following factors, among others, and to review the other information in this Official Statement. Any one or more of the considerations discussed, and others, could lead to a decrease in the market value and/or the liquidity of the 2021 Series H Intermediate Lien Bonds. There can be no assurance that other factors and considerations will not become material in the future.

See also “CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS.”

COVID-19 Related Matters

COVID-19 continues to spread, and the COVID-19 pandemic is ongoing. The dynamic nature of the pandemic leads to many uncertainties, including but not limited to: (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the level of adoption and effectiveness of mitigation measures taken by governmental authorities, by the Port, or by others; (vi) the development of medical therapeutics or vaccinations; (vii) travel restrictions in various countries and parts of the United States and the short-term and longer-term demand for air travel, including at the Airport, which may affect the airline travel industry generally and airlines and concessionaires serving the Airport in particular; (viii) the extent to which the COVID-19 pandemic or other outbreaks or pandemics might result in staff reductions of TSA, airlines, or other partners of the Airport that would have an impact on passenger security screening as well as baggage, flight, and other delays at the Airport; (ix) the impact of the outbreak on the local, national, or global economy and how it may affect domestic demand for imports, or foreign demand for U.S. exports; (x) whether and to what extent the Board may provide deferrals, forbearances, adjustments or other changes to the Board’s arrangements with Port tenants; and (xi) the impact of the outbreak and actions taken in response to the outbreak on the Port’s operations, revenues, expenses and overall financial condition.

National and Global Economic Conditions

Historically, the financial performance of the air transportation and shipping industries has correlated with the state of the national and global economy. With the globalization of business and the increased importance of international trade and tourism, the U.S. economy and, by extension, passenger traffic at U.S. airports and shipping activity at U.S. seaports, has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, global pandemics such as the COVID-19 pandemic, and international hostilities all influence passenger traffic at major U.S. airports and shipping volumes at U.S. seaports. Following the significant and dramatic changes that occurred in the financial markets in September 2008, the U.S. economy experienced a recession followed by weak growth. In addition, associated high unemployment and reduced discretionary income resulted in reduced airline travel and consumer purchasing. Over the last decade, there has been significant improvement in economic conditions in the U.S. that has contributed to a rebound in aviation activity and commercial shipping levels nationwide. However, the spread of COVID-19 has altered the behavior of business and people in a manner that has exhibited negative impacts on global and local economies, and the U.S. has experienced significantly increased unemployment and stock market volatility associated with the pandemic. The Port cannot predict the future state of local and U.S. national economic conditions, or the effect of negative economic conditions on the Port’s finances and operations.

Uncertainties of the Aviation Industry

The ability of the Port to generate revenues from its Airport operations depends upon demand for its Aviation facilities which, in part, depends upon the financial health of the aviation industry. The aviation industry is economically volatile and has undergone significant changes, including mergers, acquisitions, bankruptcies and closures, in recent years. The aviation industry and demand for and utilization of Port facilities are sensitive to a variety of factors, including, but not limited to, (i) world health concerns including an outbreak of a disease such as COVID-19 or similar public health threat, (ii) general economic conditions, (iii) international trade, (iv) currency values, (v) the cost and availability of labor, fuel, aircraft and insurance, (vi) competitive considerations, including the effects of airline ticket pricing and other available airports, (vii) availability, reliability and convenience of air service at the Airport, (viii) national air traffic control and Airport capacity constraints, (ix) business travel substitutes such as teleconferencing, videoconferencing and web-casting, (x) governmental regulation, including security regulations, travel restrictions, and taxes imposed on airlines and passengers, (xi) maintenance and environmental requirements, (xii) international hostilities and political turmoil, and (xiii) disruption caused by airline accidents, natural disasters, criminal incidents and acts of war or terrorism, such as the events of September 11, 2001. The aviation industry is also vulnerable to strikes and other union activities.

Some airlines operating at the Airport have filed for bankruptcy protection in the past and others may do so in the future. In 2008, three airlines operating at the Airport, ATA, Aloha and Skybus, filed for bankruptcy protection and ceased operations. In 2010, Mexicana, which also served the Airport, filed for bankruptcy protection and ceased operations. Other airlines serving the Airport have filed for bankruptcy protection in recent years but have continued to operate. The potential impacts of a bankruptcy are discussed under "—Tenant/Customer Bankruptcy." Airlines may also cease providing service at the Airport for reasons other than bankruptcy, such as when United ceased service at the Airport in June 2012. In April 2020 and June 2020, JetBlue and American Airlines ceased operations at the Airport, respectively. Any such cessation of service by a carrier at the Airport, particularly if the carrier is a major tenant, could have a material adverse impact on Port operations and revenues.

Public Health Risks. Public health concerns affect air travel demand from time to time. The current spread of COVID-19 caused the WHO to declare the outbreak a global pandemic. As a result of the spread of COVID-19 and the related passenger fears about traveling and national and global attempts to contain the virus, airlines have significantly cut flights in domestic and international markets both as a result of mandated travel restrictions and due to the reduced number of travelers. See "—COVID-19 Related Matters" above. In addition, in 2003, concerns about the spread of a severe acute respiratory syndrome ("SARS") led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. Following an outbreak of the Ebola virus in West Africa in 2014, concerns about the spread of the virus adversely affected travel to and from certain regions of Africa. In January 2016, the CDC issued a travel alert warning pregnant women to avoid travel to areas where the Zika virus had spread, a list that included more than 50 countries and territories. The Port cannot predict how long the current COVID-19 pandemic will continue, or when or whether additional public health threats may emerge that could have a material adverse effect on the Airport's operations or finances.

Regulatory Uncertainties. Development at the Airport is regulated extensively and requires a number of reviews and permits. Operations and development at the Airport are also subject to extensive federal oversight. The Port operates the Airport pursuant to an airport operating certificate issued annually by the FAA after on site review. In addition to this operating certificate, the Airport is required to obtain other permits and/or authorizations from the FAA and from other regulatory agencies and is bound by contractual agreements included as a condition to receiving grants under the federal Airport Improvement Program.

The Airport is also subject to regulation and mandates by the TSA as required by the Aviation Security Act. The TSA has required the Airport to implement security-related projects and may in the future require the Airport to implement additional security-related projects, but the timing, scope and source of funding of such projects cannot be predicted. See "THE PORT OF OAKLAND—Aviation—Other Airport Information—Security."

In addition, the Airport is subject to regulations by FEMA relating to floodplains. FEMA has revised and published new flood hazard maps throughout the Bay Area. In December 2018, FEMA issued its Final Flood Insurance Rate Maps (FIRMs) for Northern Alameda County, including the Airport lands. Numerous areas not previously characterized as flood hazard zones have been characterized as such by FEMA in the Final FIRMs. As discussed under "CAPITAL PLANNING AND CAPITAL PROJECTS – Projects in the CIP – Aviation Projects in the CIP – Airport Perimeter Dike Improvements," the main air carrier runway, the passenger terminal areas, FedEx and airline support services located in the southern area of the Airport was designated as under "Seclusion" status because the planned dike improvements which would resolve a potential flood hazard designation. The runways and general aviation hangars on the northern portion of the Airport are designated as being within a Special Flood Hazard Area in the Final FIRMs. Because of this designation, the Port will be required: (i) to adopt minimum floodplain management standards (which would include certain building design restrictions), (ii) likely to incur increases in building costs, and (iii) to obtain flood insurance. The Port is currently conducting a north field vulnerability study to identify and evaluate additional flood mitigation projects to address the flood hazard issues on the north field. The study is anticipated to be complete by spring 2021.

The Port cannot provide assurances that the cost of regulatory compliance and related activities required of the Port and/or its business partners will not negatively affect Port operations and, therefore, Port revenues and/or expenses.

<u>*Security Concerns*</u>. Terrorist acts or other security breaches could occur at the Airport, and if an attack or breach occurs it could result in damage to Port facilities, in reduced traffic at the Airport, in costly increased security measures and in reductions in Port revenues. Concerns about the safety of airline travel and the effectiveness of security precautions may influence passenger travel behavior and air travel demand, particularly in light of existing international hostilities, potential terrorist attacks and world health concerns, including epidemics and pandemics. Current and future security measures may create significantly increased inconvenience, costs and delays at OAK, which may give rise to the avoidance of air travel generally and the switching from air to ground travel modes and may have an adverse material impact on Port operations and revenues.

<u>*Availability of PFC Revenues*</u>. The amount of PFC Revenues received by the Port in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport and the level of the PFC. No assurance can be given that any level of enplanements will be realized or that the level of PFC the Port may impose will not change.

Additionally, under current law the FAA may terminate the Port's authority to impose PFCs, subject to informal and formal procedural safeguards, if (a) PFC Revenues are not being used for approved projects in accordance with the FAA's approval, the statutes authorizing the PFC or the regulations promulgated thereunder, or (b) the Port otherwise violates such statutes or regulations. The Port's authority to impose PFCs may also be terminated if the Port violates certain provisions of the Airport Noise and Capacity Act of 1990 ("ANCA") and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Port's authority to impose PFCs will not be summarily terminated. No assurance can be given that the Port's authority to impose PFCs will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC Revenues available to the Port, or that the Port will not seek to decrease the amount of PFCs to be collected.

In the event PFC revenues decline due to lower passenger enplanements, or the FAA or Congress reduce or terminate the Port's ability to impose PFCs, the Port may need to increase rates and charges at the Airport, or not undertake certain capital projects. Failure to complete certain projects in the CIP could significantly impact Port revenues.

Competitive Considerations at the Airport

Other Airports and Market Share Concentration. SFO and SJC compete with the Airport for air carrier routes and service, passengers, and air cargo traffic, as described above under the heading "THE PORT OF OAKLAND—Aviation—Activity at the Airport—Competition." Competition from these airports could affect passenger and cargo demand and airline operations at the Airport.

If a major air carrier at the Airport were to shift a material portion of its operations to SFO or SJC, or were otherwise to reduce its activity at the Airport substantially, the loss of that air carrier could adversely affect the Port's financial condition. Southwest is by far the most active carrier at the Airport, accounting for approximately 74% of the Airport's total enplanements in Fiscal Year 2020. See "THE PORT OF OAKLAND—Aviation—Activity at the Airport." It is likely that the Port would experience a significant reduction in revenues, possibly for a significant time period, if Southwest or FedEx, another major revenue-generating tenant of the Airport, were to cease or significantly reduce operations at the Airport. The Port cannot provide assurances that demand for the facilities currently used by major carriers and tenants will continue to exist, nor can it guarantee that another air carrier would assume the traffic previously handled by the departing carrier, or that another lessee tenant would be willing to pay the same rent and other charges as the prior tenant, in the event of a loss of a major air carrier or other tenant.

Competition for Parking Revenues. On-Airport public parking revenue is one of the Airport's biggest sources of revenue, which is typical for many medium and large hub airports in the United States. Since parking revenue is not used to offset costs in the Airline Rates and Charges calculation, this revenue source is especially important to the Port's overall financial health. Airport parking demand and revenue trends are affected by several factors, including but not limited to origin-destination air passenger demand, trip purpose (i.e., business versus leisure), parking rates, terminal proximity, and competition from off-Airport parking facilities and other available modes of transportation such as TNCs.

The Airport competes with off-Airport public parking facilities, and the extent of such competition depends on factors such as parking capacity and rates, service and facility quality, and visibility and proximity to the Airport. Increased off-Airport parking competition places downward pressure on market rates, thus limiting the Airport's ability to increase on-Airport parking rates, and impacting revenue growth and maintenance. The availability of off-Airport parking provides competition for on-Airport parking and may impact the Port's revenues. Although various off-Airport parking facilities have closed either permanently or temporarily as a result of reduced airport demand due to the COVID-19 pandemic, the Port cannot predict when any such facilities or new off-Airport parking facilities may reopen, or at what capacities.

Uncertainties of the Maritime Industry

The Port's ability to generate revenues from its Seaport depends on demand for maritime facilities, which in turn depends, in part, upon the financial health of the maritime industry. The maritime industry is economically volatile and has undergone significant changes, including mergers, acquisitions, bankruptcies and closures in recent years. The maritime industry, and the demand for and utilization of Seaport facilities, are sensitive to a variety of factors, including, but not limited to, (i) general economic conditions, (ii) international trade, (iii) currency values, (iv) sufficiency of land acreage, and adequacy of land-side and water-side infrastructure, (v) governmental regulation, including tariffs and trade restrictions, (vi) maintenance and environmental requirements, (vii) international hostilities and political turmoil, (viii) shipping line alliances and mergers and (ix) disruption caused by natural disasters, criminal incidents and acts of war or terrorism. The maritime industry is also vulnerable to strikes and other union activities. See "THE PORT OF OAKLAND—Maritime—Other Seaport Information—Potential Action by International

Longshore and Warehouse Union." Seaport tenants and customers may file for bankruptcy protection. The impacts of a bankruptcy are discussed under "—Tenant/Customer Bankruptcy."

Larger Container Vessels. The Port's ability to generate revenues from its Seaport also depends on the Port's ability to provide facilities that can accommodate and respond to changing needs of the shipping lines that call the Seaport and the marine terminal operators that lease property from the Port to serve those shipping lines. For example, the shipping industry has quickly shifted toward the deployment of significantly larger container vessels. In 2011, the current average vessel size in the trans-Pacific trade was approximately 5,800 TEUs; in 2019 it was about 9,000 TEUs. In 2018, 2019, and 2020 year-to-date, approximately 140 vessel calls at the Seaport were made by vessels with capacities ranging from 14,000 to 19,000 TEUs. Though the Port cannot predict with certainty how ocean carriers will ultimately allocate their fleets among global trade routes, the Port expects that the larger ships, including vessels with capacities of up to 23,000 TEUs, will continue to call the Seaport with greater frequency. Larger vessels generally require deep water and adequate turning basins/areas (see "—*Maintenance of Federal Channel and Berths" below)*, land-side cranes with sufficient vertical and horizontal reach, longer berths, stronger bollards and fenders, and larger marine terminals, that can handle higher cargo volumes more efficiently. While the Seaport currently has 50 feet of water depth and large, turning basins/areas, and both post and super post-Panamax cranes, Seaport facilities need to be modified to accommodate these larger vessels. These modifications will require significant capital investment and time to complete and could negatively affect Port expenses and revenues beyond what has been contemplated in the Fiscal Year 2021-25 CIP.

Renewal and Concentration Risk. The loss of a major Seaport tenant could adversely affect the Port's financial condition, particularly if not replaced promptly by a new tenant that is willing to lease the former tenant's space on similar or better terms for the Port. The top two Seaport sources of revenue accounted for approximately 62% of the Maritime Division's operating revenue in Fiscal Year 2020. It is likely that the Port would experience a significant reduction in revenues, possibly for a significant period, if one of its major tenants were to leave the Seaport and not be replaced. See "THE PORT OF OAKLAND—Maritime—Major Sources of Maritime Operating Revenues." Further, as capital investment by tenants and customers becomes increasingly necessary to modernize Seaport facilities, Seaport revenues could decrease as a result of rent credits or offsets for such private investment.

Alliances and Consolidation of Container Shipping Industry. As illustrated by the bankruptcy of Hanjin in 2016, since 2007, the financial health of the container shipping industry has been under substantial stress because of numerous factors, including, among others, the world financial crisis that occurred between 2008 and 2009, overcapacity of available ships, decreasing freight rates, and volatile fuel costs. In response to these challenges, among others, the container-shipping industry has seen the forming of strategic alliances and the merger of certain shipping lines.

As of the date of this Official Statement, there are three main shipping alliances: 2M, THE Alliance, and OCEAN Alliance. In 2015, Maersk and Mediterranean Shipping Company established the "2M Alliance," a 10-year agreement for Asia-Europe, trans-Atlantic and trans-Pacific routes. THE (Transport High Efficiency) Alliance, established in 2017, consists of the shipping company Hapag-Lloyd, Ocean Network Express (ONE, formed in 2018 by a merger of Japan's NYK, MOL, and "K" Line ocean shipping companies), Yang Ming, and, as of 2020, Hyundai Merchant Marine (which was previously in an alliance with the 2M Alliance known as "2M+H"). THE Alliance companies have entered into a ten-year agreement through the year 2030, which includes Asia-Europe, Asia-Mediterranean, trans-Pacific to United States West Coast and East Coast ports, trans-Atlantic and Asia-Middle East routes. OCEAN Alliance, established in 2017, consists of CMA CGM, APL, Evergreen, OOCL and COSCO. According to OCEAN Alliance, the pact will be for ten years and will include Asia-Europe, Asia-Mediterranean, trans-Pacific to United States West Coast and East Coast ports, trans-Atlantic, Asia-Red Sea and Asia-Middle East routes.

Alliance information is provided by individual ocean carriers participating in each alliance, the Journal of Commerce, and other industry news sources. According to container shipment data from Datamyne, these three alliances shipped 91% of all imports from Asia to the United States from January through August 2020. In addition, according to Datamyne, from January 2020 to August 2020, the OCEAN Alliance, THE Alliance and 2M Alliance accounted for 42.7%, 29.5%, and 19.0% respectively, of the market share of United States imports from Asia. However it is expected that such alliances' market share will continue to change due to future reorganization and competition for market share by ocean carriers both among and within alliances. All of the container-shipping lines that are part of 2M Alliance, THE Alliance and OCEAN Alliance operate at the Port.

In addition to the alliances described above, numerous shipping lines have merged in the past five years. Additional alliances and mergers could occur in the future. Although at this time, the Port cannot predict what effect the current shipping alliances or any modifications thereof will have on container traffic at the Port or the revenues of the Maritime division, alliances and consolidation in the container-shipping industry could impact container traffic at the Port and affect Maritime revenues.

Non-Maritime Development Risk. As discussed above, the Port and the Oakland Athletics executed an ENTS in May 2019 concerning a proposed baseball stadium mixed-use development project on Howard Terminal, which is currently used for Seaport purposes. See "THE PORT OF OAKLAND—Maritime—Maritime Facilities—Maritime Terminals." There are both supporters and opposers to the proposed development on Howard Terminal. Some of the opposition has taken the form of a lawsuit filed on March 16, 2020, in the Alameda County Superior Court by the Pacific Merchants Shipping Association, the Harbor Trucking Association, the California Trucking Association, and Schnitzer Steel Industries, Inc. against Governor Gavin N. Newsom, the City of Oakland, and the Oakland Athletics as the real party in interest. The Port was not named as a defendant in the suit. In addition, some of the maritime stakeholders have written several opposition letters and provided public testimony claiming, among other matters, that the proposed development on Howard Terminal is incompatible with the heavy industrial maritime operations at the Port and its continued success and growth. The Port cannot predict when or whether any such development project might occur. If it does occur, most of the Howard Terminal site will no longer be available for Seaport purposes.

Trade Tensions with China. According to data from Datamyne, approximately 39% of Oakland's imports originate in China, the largest single source of imports for the Port of Oakland. The United States government began imposing tariffs on imports of goods from China in 2018 and continued to add tariffs in 2019. China's government retaliated with tariffs on imports of goods from the U.S. This caused a surge in import cargo at the Seaport in late 2018 due to "front-loading" of imports in advance of anticipated tariffs. Import flows from China stabilized in late 2019 but declined in early 2020 due to factory shutdowns in China precipitated by the COVID-19 pandemic. Due to ongoing uncertainty about the effects of the COVID-19 pandemic and demand for imports from China such as consumer home goods, future impacts of trade tensions between the U.S. and China cannot be predicted.

Competitive Considerations at the Seaport

As discussed above under the heading "THE PORT OF OAKLAND—Maritime," the Seaport serves a large local and regional population in Northern California and Western Nevada. Local cargo typically comprises 85% of the cargo handled at the Seaport. While the Port does face some relatively limited competition for this local cargo from other U.S. West Coast ports, the Port faces the greatest competition for discretionary intermodal rail cargo, which usually makes up about 15% of cargo handled at Oakland. As such, the Port faces challenges in growing cargo activity at levels higher or faster than the local or regional economy.

The Port competes for market share with respect to discretionary intermodal rail cargo with other U.S. West Coast ports, as well as with ports in other parts of the United States and in Canada and Mexico. Factors affecting the competitive position of West Coast ports in general, including the Seaport, could be outside of the Seaport's control. For example, the Port is monitoring the effects of the Panama Canal expansion, which has already resulted in greater diversion of Asian imports from West Coast ports to East Coast and Gulf Coast ports (i.e., a loss of West Coast market share). Expansion of other ports on the U.S. West Coast or elsewhere in North America could also cause a decrease in the Seaport's market share. Although the revenues of the Port may be adversely impacted by increased competition from other ports, the Port cannot predict the scope of any such impact at this time.

The availability of intermodal rail facilities is also a factor that shippers consider when selecting a port of call for discretionary cargo. The two intermodal rail yards that serve the Seaport currently have capacity to accommodate additional intermodal rail cargo. However, the Port is currently limited in its ability to increase its share of intermodal rail cargo and, in turn, its revenues, because of factors such as (a) the absence of on-dock rail, (b) factors outside of the Port's control such as congestion or physical restrictions on rail segments outside the Seaport, and (c) factors outside the Port's control such as the economies of scale achieved from the very large population centers in southern California, which strongly anchor the Ports of Los Angeles/Long Beach as first ports of call on the West Coast and, in turn, the Seaport's market position as a second port-of-call. Due to the complexity of the global supply chain and the numerous factors that inform the decisions of ocean carriers about ports of call, as well as the complexities of rail development and rail corridor operations, improvements to address these types of constraints can take many years to implement.

In addition to these competitive factors, the potential imposition of fees that apply only to the Seaport or only to a subset of ports including the Seaport (for example, fees that only apply at California ports), may increase the cost to use the Seaport, or may require the Port to reduce charges applicable to its tenants to moderate some or all of the impact of such fees. A growing number of local and state-wide environmental regulations, as well as continued pressure to adopt voluntary control measures in addition to regulatory mandates, similarly could increase the cost of using the Seaport to the point where (a) Seaport customers may choose alternative gateways, and/or (b) the Port may have to reduce charges to moderate cost impacts on its tenants and customers. The Port cannot predict whether any such fees will be imposed, the amount of such fees or the impact thereof on Port revenues. The Port similarly cannot predict with any certainty the impact of new and future regulations on Port revenues.

For further discussion about factors affecting the Seaport's competitive position, see "THE PORT OF OAKLAND—Maritime—Activity at the Seaport—Competition."

Maintenance of Federal Channel and Berths. Due to natural sedimentation, annual dredging is required to maintain the Federal navigation channel (Oakland Harbor) that serves the Seaport at minus 50 feet mllw. The Federal channel includes the Entrance Channel, the Outer Harbor and its turning basin, and the Inner Harbor and its turning basin, which are all maintained by the U.S. Army Corps of Engineers ("USACE"). The turning basins are used by each vessel to turn upon arrival or departure from the Seaport.

The bathymetric surveys conducted in December 2019 indicated that the channels are at the permitted depth. The Fiscal Year 2020 Omnibus Bill and USACE Work Plan included approximately \$20.563 million for maintaining the depth of the channel at minus 50 feet mllw. The President's proposed federal fiscal year 2021 budget contains approximately \$21.975 million for maintaining the channel; these funds have not yet been fully appropriated by Congress, and the Port cannot predict when or if the appropriation will occur. Due in part to an increase in dredging costs, including costs associated with regional regulatory requirements to use more distant disposal sites and sites with special operational requirements (for example, sites intended to create wetlands), the adequacy of funding for future maintenance dredging of the channel cannot be assured. If funding is not available, portions of the channel could revert to a depth of less than minus 50 feet mllw over time.

The two turning basins that are part of the Federal channel present an operational constraint to the largest vessels calling the Seaport today because the basins were sized for vessels with capacities of about 6,500 TEUs. Vessels with a length greater than 1,210 feet (generally, ships with capacities in excess of 14,000 TEUs) are not able to turn in the Inner Harbor turning basin and may be restricted in the Outer Harbor turning basin. The Outer Harbor turning basin is a bit larger, but its size still restricts the movement of vessels longer than 1,210 feet. The Inner and Outer Harbor turning basins are not interchangeable (i.e., vessels calling the Inner Harbor marine terminals cannot use the Outer Harbor tuning basin, and vice versa).

The Port is responsible for dredging the berths that serve the Seaport's marine terminals. As the cost of dredging goes up, dredging activities may consume an increasingly significant portion of the Port's capital and operating budgets, and the Port may have unanticipated expenditures that could result in an adverse impact on projected expenses. Limitations on Port funding could cause portions of berths, or entire berths, to revert to a depth of less than minus 50 feet mllw over time.

Ocean carriers that call the Seaport with newer, larger vessels may be able to navigate depths of less than minus 50 feet mllw in the Federal channel or berths, and may be able to avoid use of the turning basins by implementing operational changes (for example, timing arrival/departure with tidal fluctuations, additional maneuvering, berthing restrictions, and/or time of day restrictions). These operational changes however, would be an interim solution and unlikely to be sustainable, would require coordination and agreement by third parties, would increase operating costs for ocean carriers, and would create operational inefficiencies for ocean carriers and marine terminal operators. If operational changes to mitigate channel limitations are insufficient or infeasible, ocean carrier service to the Seaport may be reduced (i.e., cargo could be routed through another port). The Port is working closely with the U.S. Army Corps of Engineers and national and state port authority associations, as well as with local, state and federal government representatives and agencies, to secure stable funding for future maintenance dredging of the channel and to address the costs of berth dredging. The Port is also working closely with the U.S. Army Corps of Engineers to initiate a Feasibility Study that will examine the potential expansion of the turning basins; authorization and the federal share of funding for a new Feasibility Study was included in the Fiscal Year 2020 USACE Work Plan.

Potential Labor Activity

The Port's current MOUs with all four bargaining units will expire on June 30, 2022. The MOUs with the IBEW, IFPTE and WCE each contain a no strike clause in which the union agrees not to strike or engage in a job action (for example, a strike or a work slowdown due to a "work to rule" strategy or "sick out") to interfere with any Port operations during the term of the applicable MOU. The SEIU MOU does not contain a "no strike" provision. It is not possible to predict whether any job action or other labor disruption will occur as a result of labor negotiations, or how long such a disruption may last. In addition, strikes and/or pickets at the Seaport, if honored by the ILWU, the union representing most dockworkers at the Seaport, could cause additional disruption in Seaport operations. A labor disruption could have a significant adverse impact on Port operations and revenues.

Tenant/Customer Bankruptcy

A bankruptcy of a tenant or customer of the Port, including a tenant or customer at the Airport, the Seaport or at properties managed by the Commercial Real Estate Division, could result in delays, additional expense and/or reductions in payments, or even nonpayment, to the Port and thus a reduction in Pledged Revenues.

The effect of the bankruptcy of a tenant or customer on the Port's receipt of funds from the tenant or customer depends on the nature of the contractual relations between the parties, and between the Port and other tenants/customers, which may help offset losses from a bankruptcy. Briefly, the tenants and customers of the Port may acquire the ownership or use of assets either through an executory contract or lease, or through unsecured or secured debt to the Port (any such debt, a "financing device"). Bankruptcy law in the United States requires substantially different treatment for a relationship that is a financing device from the treatment given an executory contract or lease.

Executory Leases and Contracts and the Assumption/Rejection Process. If a bankruptcy court determines that an agreement with the Port is an executory contract (such as a license) or an unexpired lease of non-residential real property pursuant to Section 365 of the United States Bankruptcy Code (the "Bankruptcy Code"), the tenant/customer or its bankruptcy trustee may elect (within a limited period if it is an unexpired lease of non-residential real property) to either assume or reject the agreement. If such agreement were assumed, the affected tenant or customer would be required to cure or provide for cure of any prior defaults and, if there is a default, to provide "adequate assurance" of future performance. Even if all amounts due under such an agreement were ultimately paid, the Port could experience long delays in collecting such amounts. What constitutes "adequate assurance" is up to the bankruptcy court to decide and may not meet the Port's expectations.

If such an agreement were rejected by the tenant/customer, the required action by the tenant or customer and its rights will vary depending on the type of agreement. In the case of an unexpired lease of non-residential real property, the tenant or customer would be required to vacate the property and the Port would have an unsecured claim for damages, the amount of which would be limited to the amounts unpaid prior to the bankruptcy plus the greater of (a) one year of rent or (b) 15% of the total remaining lease payments, not to exceed three years. In any case, the amount ultimately received on a claim in the event of rejection of an unexpired lease or executory contract could be considerably less than the notional or face value of the claim.

Financing Leases and Other Financing Contracts. No assurance can be given that a bankruptcy court would find that the Port's arrangements with its tenants and customers are executory contracts or leases. If, instead, a bankruptcy court determines that an agreement with a tenant or customer is treated as a financing device, the tenant or customer may keep and use the asset, but debt service may be suspended in whole or in part during the course of the bankruptcy; the amount of debt and payment level also may be ultimately subject to reduction or extension through a reorganization plan. The determination of the nature of a transaction is, in many cases, a fact-intensive matter not guided by form alone. Further, as a result of the disparate treatment of these common business structures, a tenant or customer in bankruptcy may vigorously contend that a "lease" or other agreement is not a true lease but a disguised financing device, so that it can decline to make periodic rental payments pending the bankruptcy court's determination of that issue.

Automatic Stay and Preference Claims. On the filing of a bankruptcy proceeding, Section 362 of the Bankruptcy Code stays virtually all creditor actions to litigate to judgment or collect on a debt, or to remove a non-paying tenant from possession. This can result in lengthy delays in the ability of a creditor to exercise its rights. Further, any payments made to the creditor within the 90 days (one year for "insiders") before bankruptcy are potentially subject to recovery as preferential payments.

In general, therefore, risks associated with bankruptcy include risks of substantial delay in payment or of non-payment, the risk that the Port may not be able to enforce any of its remedies with respect to a bankrupt tenant or customer, the risk that the Port may have to disgorge amounts paid during the bankruptcy preference period and the risk of substantial costs of pursuing amounts in bankruptcy court.

With respect to a tenant in bankruptcy proceedings in a foreign country, the Port is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Port or City Bankruptcy

The Port or the City could file for bankruptcy relief under Chapter 9 of Title 11 of the Bankruptcy Code. Should either the Port or the City become a debtor in a bankruptcy case, the lien on Intermediate Lien Pledged Revenues held by the holders of the Intermediate Lien Bonds (including the 2021 Series H Intermediate Lien Bonds) will not apply to Intermediate Lien Pledged Revenues received by the Port after the commencement of the bankruptcy case unless a bankruptcy court determines that such Intermediate Lien Pledged Revenues are either (1) the product or proceeds of pre-petition collateral, or (2) "special revenues" within the meaning of the Bankruptcy Code. In addition, in the event that only the City, and not the Port, becomes a debtor in a bankruptcy case, the lien on Intermediate Lien Pledged Revenues held by the holders of the Intermediate Lien Bonds (including the 2021 Series H Intermediate Lien Bonds) should be unaffected by the City's bankruptcy if a bankruptcy court determines that the Intermediate Lien Pledged Revenues are not property of the City, but instead are property of the Port. Whether the City and Port would be treated as different juridical entities in bankruptcy is a complex question not subject to certainty, as discussed below.

"Special revenues" are defined to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor. No assurance can be given that a bankruptcy court would find that Intermediate Lien Pledged Revenues are "special revenues." If Intermediate Lien Pledged Revenues are not "special revenues," or, in the case of a City bankruptcy, are determined to be property of the City, there could be delays or reductions in payments or nonpayment on the 2021 Series H Intermediate Lien Bonds.

Furthermore, although the automatic stay arising upon the filing of a bankruptcy petition under Chapter 9 has historically been understood not to stay the collection and application of "special revenues" to payment of bonds secured by such special revenues, if the Port or the City were to become a debtor in a proceeding under Chapter 9, the bankruptcy court could possibly decide that (i) post-bankruptcy bond payments are merely optional and not mandatory under the special revenues provisions of the Bankruptcy Code and/or (ii) the automatic stay exception for special revenues in those provisions does not apply (including to possible enforcement action by the Intermediate Lien Trustee) or is limited to amounts then on hand with the Intermediate Lien Trustee or the Port or City, as applicable. If the bankruptcy court were to interpret the Bankruptcy Code in that (or a similar) fashion, the parties to the proceeding may thus be prohibited from taking any action to collect the Intermediate Lien Pledged Revenues, or to enforce any related obligations, without the bankruptcy court's permission.

Even if a court determines that Intermediate Lien Pledged Revenues are "special revenues," under the provisions of the Bankruptcy Code governing "special revenues," a bankruptcy court could permit the City or the Port to use Intermediate Lien Pledged Revenues to pay operating and maintenance costs of the Port rather than first using such amounts to make payments on the Intermediate Lien Bonds and other indebtedness, notwithstanding any provision of the Charter or the Intermediate Lien Indenture to the contrary.

In addition, the City is in possession of the Intermediate Lien Pledged Revenues and customarily invests such revenues held in the Port Revenue Fund as part of the City's investment program as described under "PORT FINANCES—Investments." Should the City initiate a case for bankruptcy protection, a court could hold that the holders of the Intermediate Lien Bonds (including the 2021 Series H Intermediate

Lien Bonds) do not have a valid lien on the portion of the Intermediate Lien Pledged Revenues invested as part of the City's investment program unless the holders could trace the invested Intermediate Lien Pledged Revenues. In such case, if the Intermediate Lien Pledged Revenues could not be traced, the holders of the Intermediate Lien Bonds (including the 2021 Series H Intermediate Lien Bonds) would be unsecured creditors of the City with respect to such Intermediate Lien Pledged Revenues. In addition, even if the holders of the 2021 Series H Intermediate Lien Bonds ultimately received the Intermediate Lien Pledged Revenues, receipt might be only after a significant delay and expense. Conversely, in the case of a bankruptcy proceeding of the Port, as a result of the joint investment of Intermediate Lien Pledged Revenues with other funds of the City, if the invested Intermediate Lien Pledged Revenues could not be traced, a court could hold that the jointly invested Intermediate Lien Pledged Revenues are not property of the Port.

It is also possible that a bankruptcy court could determine that the Port and the City constitute a single entity for bankruptcy purposes, such that a bankruptcy of the City would also constitute a bankruptcy of the Port. If the Port were considered bankrupt as a result of a City bankruptcy, the holders of the Intermediate Lien Bonds (including the 2021 Series H Intermediate Lien Bonds) would still be entitled to the benefit of their lien on Intermediate Lien Pledged Revenues received by the Port prior to the commencement of the City's bankruptcy case, and would also be entitled to the benefit of their lien on Intermediate Lien Pledged Revenues received by the Port after the commencement of the City's bankruptcy case as long as such Intermediate Lien Pledged Revenues were determined by the bankruptcy court to be "special revenues." No assurance can be given that a bankruptcy court would find that Intermediate Lien Pledged Revenues are "special revenues."

A bankruptcy of the City and/or the Board would trigger events of default under certain agreements of the Port, including the Senior Lien Indenture, the Intermediate Lien Indenture, the CP Indentures and the reimbursement agreements relating to the CP Letters of Credit.

In summary, a Port or City bankruptcy may result in nonpayment or delay, uncertainty, reductions and/or other effects on the payments due to holders of the 2021 Series H Intermediate Lien Bonds, which cannot be predicted.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the Port. The Port and the operators of facilities within its facilities collect and store sensitive data, including intellectual property, security information, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to industry operations. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of commerce, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions in operations and the services provided, and cause a loss of confidence in the commercial operations of industries including Airport and Maritime operations, which could ultimately adversely affect Port revenues.

Environmental Compliance and Impact

The Port is required to comply with numerous federal, state and local laws and regulations designed to protect the human and natural environment, human health and safety, and to inform the public of important environmental issues and potential impacts of Port activities. The Port is also directly or indirectly affected by certain laws, regulations and State orders, including, without limitation, air quality regulations and storm water regulations. These laws are discussed under "PORT FINANCES—Environmental Compliance."

The standards for required environmental impact review and for compliance under several state and federal laws and regulations are becoming more rigorous and complex. Permits issued to the Port under such laws and regulations may be frequently amended, often resulting in more stringent and more costly requirements and uncertainty about the scope of the Port's future obligations and associated costs. For example, the Port is now required to comply with the storm water regulations applicable to non-traditional municipal entities, including recent amendments requiring preventing all trash from discharging into the stormwater collection system within the Port Area. It remains difficult to predict the long-term costs associated with adapting the Port's existing and future infrastructure and facilities to the new storm water regulations.

These types of changes may result in increased compliance costs that, in turn, significantly delay or affect the Port's efforts to maintain and repair existing infrastructure or to construct additional revenue-generating infrastructure. Additionally, the costs to mitigate environmental impacts, such as impacts to jurisdictional wetlands, obtain regulatory approvals, and manage potential legal or procedural challenges for such projects may result in substantial increases to total project costs and delays in completing the projects. Air quality regulations that directly or indirectly impact the Port may result in the Port's having to, or desiring to, expend funds to assist the Port's business partners in complying with various regulations. The Port may also incur costs to implement other air quality improvement projects consistent with its Seaport Air Quality 2020 and Beyond Plan and future air quality plans. Finally, the State of California continues to review and establish aggressive new standards to reduce greenhouse gas emissions, which may also increase costs to the Port.

Costs associated with these compliance and related activities may consume an increasingly significant portion of the Port's capital and operating budgets, and the Port may have unanticipated capital or operating expenditures. In addition, for projects with forecasted costs, the Port cannot provide assurances that the actual cost of the required measures will not exceed the forecasted amount. The Port also cannot provide assurances that the cost of compliance and related activities required of the Port and/or its business partners will not negatively affect Port operations and, therefore, Port revenues and/or expenses.

Additional environmental laws and regulations may be enacted and adopted in the future that could apply to the Port or its business partners, which could result in an adverse impact on projected revenues or expenses. The Port is not able to predict with certainty what those laws and regulations may be or the impacts to the Port or its business partners of compliance with such laws and regulations.

Also, certain individuals, organizations and/or regulatory agencies may seek other legal remedies to compel the Port to take further actions to mitigate perceived or identified environmental impacts and/or health hazards or to seek damages in connection with the potential environmental impacts of the Port's Seaport, Airport, and Commercial Real Estate activities. The Port has undertaken a number of initiatives over the years to address potential concerns, including without limitation approving the Seaport Air Quality 2020 and Beyond Plan in June 2019. Nonetheless, there is a risk that, despite the Port's adopted environmental plans, mitigation programs, and policies, legal action challenging the Port could ensue. Such legal action could be costly to defend, could result in substantial damage awards against the Port, and could curtail certain Port developments or operations.

Future Regulation of the Electric Utility Industry

The electric utility industry is subject to continuing legislative and administrative reform. Recent changes include increased transmission fees, wildfire mitigation charges, and physical security legislation. However, when new regulations increase expenses, the Port acting as its own utility recovers expenses through its electric rates and charges dispersed among its wide rate base.

Contingent Payment Obligations

The Port has entered into, and may in the future enter into, contracts and agreements in the course of its business that include an obligation on the part of the Port to make payments or post collateral contingent upon the occurrence or nonoccurrence of certain future events, including events that are beyond the direct control of the Port. Such contracts and agreements may include power purchase agreements, including those with "mark to market" collateral posting requirements; commodities futures contracts with respect to the delivery of electric energy or capacity; investment agreements, including for the future delivery of specified securities; energy price swap and similar agreements; other financial and energy hedging transactions; interest rate swap and other similar agreements; and other such contracts and agreements. The purposes for such contracts and agreements may include management of the Port's exposure to future changes in interest rates and market energy prices, management of the Port's load/resource balance, and other purposes. Such contingent payments or the required posting of collateral may be conditioned upon the future credit ratings of the Port and/or other parties to the agreements, maintenance by the Port of specified financial ratios, future changes in electric energy or related prices, and other factors.

Risks Associated with Power Purchase Agreements

With any power purchase agreement, there are counterparty risks, including the risk that the counterparty will default on the terms of the agreement. The results of such defaults generally result in the Port purchasing power from the spot market when the Port does not receive its expected electricity. In cases where the Port enters into joint agreements as one of several participants, there is the possibility that, if a participant defaults, the non-defaulting participants, including the Port, would be liable for a percentage share of the obligations of the defaulting participant(s). Whether the Port purchases a long-term power purchase agreement or a shorter-term forward contract, the Port is exposed to the risk that the price of the agreement is over-valued or in the case of a counterparty default, the market price for replacement power could be higher.

Seismic Activity

The Bay Area's historical level of seismic activity and the proximity of the Port's facilities to a number of significant known earthquake faults (including most notably the San Andreas Fault and the Hayward Fault) increases the likelihood that an earthquake originating in the region could destroy or render unusable for a period all or a portion of the Port's facilities, thereby interrupting the collection of revenues for an undetermined period of time.

An earthquake originating outside the immediate Bay Area could have an impact on the operations of the Port. On October 17, 1989, the Bay Area experienced the effects of the Loma Prieta earthquake that registered 7.1 on the Richter Scale. The epicenter of the earthquake was located in Loma Prieta approximately 72 miles south of the City in the Santa Cruz Mountains. On August 24, 2014, a 6.0-magnitude earthquake occurred near Napa, California, which is approximately 43 miles to the north of the City.

Research conducted since the 1989 Loma Prieta earthquake by the United States Geological Survey concludes that there is a 70% probability of at least one magnitude 6.7 or greater earthquake, capable of causing wide-spread damage, striking the Bay Area before 2030. Major earthquakes may occur at any time in any part of the Bay Area. An earthquake of such magnitude with an epicenter in sufficiently close proximity to the Bay Area could result in substantial damage.

It is possible that the Port could sustain significant damage to its facilities as a result of a major seismic event from ground motion and liquefaction of underlying soils or from a tsunami generated by local or distant seismic activity. The Port currently does not (and Port tenants likely do not) maintain commercial insurance coverage for property damage resulting from earthquakes other than insurance covering portions of the Port-owned marine terminal container cranes, the Port's headquarters building and certain electronic data systems throughout Port facilities. The Port currently has no plans to obtain additional earthquake insurance, and may reduce or eliminate coverage in the future. Further, even for events that are covered by insurance, the Board cannot guarantee that insurers will pay claims in a timely manner or at all.

In addition, access to and from the Port's facilities and the Port's revenues could be adversely affected by seismic (or other) damage to Bay Area infrastructure outside the Port Area, such as bridges, freeways, public transportation and rail lines.

Force Majeure Events

The Port's facilities and the Port's ability to generate revenues are at risk from events of force majeure, such as terrorism, strikes and lockouts, extreme weather events and other natural occurrences, fires and explosions, spills of hazardous substances, technology attacks, sabotage, wars, blockades, protests and riots. While the Board has attempted to address the risk of loss from some of these occurrences through the purchase of commercial property and casualty insurance, certain of these events may not be covered. Further, even for events that are covered by insurance, the Board cannot guarantee that insurers will pay claims in a timely manner or at all. From time to time, the Port may change the types and limits on the insurance coverage that it carries.

Climate Change and Sea-Level Rise

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent and more intense, as a result of increasing global temperatures attributable to atmospheric pollution. Airport and Seaport operations and infrastructure are vulnerable to effects of sea level rise, extreme climate conditions, and extreme weather events, and significant capital investments may need to be made to address these vulnerabilities. Furthermore, the long-term effects of sea level rise and climate change, combined with the increasing passenger awareness of the climate change impacts of aviation and long-distance transportation of goods, could reduce demand for travel and cargo shipments globally or locally (to or from the San Francisco Bay Area), or impact infrastructure, including the Airport and the Seaport and access thereto, with potential material adverse effects on the Port's operations and financial condition.

The California Energy Commission has developed a web-based portal, known as "Cal-Adapt", to assist the public and agencies plan for changes in climate, weather, water resources, etc., that are linked causally to the phenomenon known as "climate change." The Cal-Adapt website has resources related to sea-level rise. Sea-level rise can result in reduced bridge clearance or flooding transportation corridors to and from ports, negatively impacting Port operations. For planning purposes, the Cal-Adapt sea-level rise maps for the Bay Area show that portions of the Port Area may be subject to sea level rise-related inundation. The Port has also prepared a sea level rise assessment to comply with Assembly Bill 691, which requires preparation of a sea-level rise assessment for areas under jurisdiction of the State Lands Commission (tidelands grants and Trusts). This assessment has been posted to the State Lands Commission website. The Port is unable to predict whether sea-level rise or other impacts of climate change will occur while the 2021 Series H Intermediate Lien Bonds are outstanding. Various publicly available mapping analyses indicate there may be some increased flooding on Port properties related to 100-year flood events by 2030. Any such events may have an adverse impact, material or otherwise, on Port facilities, revenues and/or expenses.

Enforceability of Remedies

The remedies available to the owners of the 2021 Series H Intermediate Lien Bonds upon an Event of Default under the Intermediate Lien Indenture and the remedies available to the Port upon a default by one of its tenants or customers are in many respects dependent upon regulatory and judicial actions that are in many instances subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for in the Intermediate Lien Indenture or under the Port's agreements with its tenants or customers may not be readily available or may be limited. Legal opinions to be delivered concurrently with the delivery of the 2021 Series H Intermediate Lien Bonds will be qualified to the extent that the enforceability of certain legal rights related to the 2021 Series H Intermediate Lien Bonds and the Intermediate Lien Indenture is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

Potential Change in Law

The Port is subject to State, federal and local laws that restrict its operations. Such laws may be amended at any time. No assurance can be given that the State electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the laws or the Constitution of the State of California in a manner that results in an increase in Port expenses or a decrease in Port revenues, and, consequently, has an adverse effect on the security for the 2021 Series H Intermediate Lien Bonds. No assurance can be given that the City Council will not at some future time adopt or revise applicable ordinances, or that the City electorate will not adopt an initiative or Charter amendment, that results in an increase in Port expenses or a decrease in Port revenues and, consequently, has an adverse effect on the security for the 2021 Series H Intermediate Lien Bonds.

Other General Factors

The Port has been, and may in the future be, affected by a number of other factors which could impact the financial condition of the facilities and operations of the Port. In addition to the factors discussed elsewhere herein, such factors include, among other things:

- Effects of compliance with rapidly changing regulatory and legislative requirements relating to trade, the environment, safety and permitting;

- Compliance with applicable requirements, regulations and guidelines in connection with funding from federal or state agencies or other sources, including loans or grants, and the possibility of fines, withdrawal of funding or requirements to repay funding in cases of alleged non-compliance;

- Changes resulting from national policies affecting transportation, airline, trade and commerce (including tariffs and trade policy) and maritime matters;

- The repeal of certain federal statutes that would have the effect of decreasing federal funding or changing federal tax policy, including the ability to issue tax-exempt obligations;

- Effects of new technologies that could affect matters related to transportation and the delivery of services through the Port's facilities;

- Other legislative changes, voter initiatives, referenda and statewide propositions;

- Effects of changes in the economy, population and demand of customers for services delivered by the Port;

- Changes in financial condition due to changes in required contributions to fund pension or other-post employment retirement benefits;

- Acts of terrorism or cyberterrorism; and

- Natural disasters or other physical calamities, including but not limited to, earthquakes.

Any of these factors (as well as other factors) could have an adverse effect on the financial condition of the Port.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel to the Board, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021 Series H Intermediate Lien Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any 2021 Series H Intermediate Lien Bond for any period that such 2021 Series H Intermediate Lien Bond is held by a "substantial user" of the facilities financed or refinanced by the 2021 Series H Intermediate Lien Bond or by a "related person" within the meaning of Section 147(a) of the Code. Special Tax Counsel observes, however, that interest on the 2021 Series H Intermediate Lien Bonds is a specific preference item for purposes of the federal alternative minimum tax. Special Tax Counsel is also of the opinion that interest on the 2021 Series H Intermediate Lien Bonds is exempt from State of California personal income taxes. A complete copy of the proposed form of opinion of Special Tax Counsel is set forth in APPENDIX E hereto.

2021 Series H Intermediate Lien Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2021 Series H Intermediate Lien Bonds. The Board has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2021 Series H Intermediate Lien Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2021 Series H Intermediate Lien Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2021 Series H Intermediate Lien Bonds. The opinion of Special Tax Counsel assumes the accuracy of these representations and compliance with these covenants. Special Tax Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Tax Counsel's attention after the date of issuance of the 2021 Series H Intermediate Lien Bonds may adversely affect the value of, or the tax status of interest on, the 2021 Series H Intermediate Lien Bonds. Accordingly, the opinion of Special Tax Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Tax Counsel is of the opinion that interest on the 2021 Series H Intermediate Lien Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2021 Series H Intermediate Lien Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Special Tax Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021 Series H Intermediate Lien Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2021 Series H Intermediate Lien Bonds. Prospective purchasers of the 2021 Series H Intermediate Lien Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Tax Counsel is expected to express no opinion.

The opinion of Special Tax Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Tax Counsel's judgment as to the proper treatment of the 2021 Series H Intermediate Lien Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Tax Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Special Tax Counsel's engagement with respect to the 2021 Series H Intermediate Lien Bonds ends with the issuance of the 2021 Series H Intermediate Lien Bonds, and, unless separately engaged, Special Tax Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax-exempt status of the 2021 Series H Intermediate Lien Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Board and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2021 Series H Intermediate Lien Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2021 Series H Intermediate Lien Bonds, and may cause the Board or the Beneficial Owners to incur significant expense.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the 2021 Series H Intermediate Lien Bonds are subject to receipt of the approving opinion of O'Melveny & Myers LLP, Bond Counsel to the Port. The proposed form of the opinion of Bond Counsel with respect to the 2021 Series H Intermediate Lien Bonds is included in this Official Statement as APPENDIX D. Bond Counsel takes no responsibility for the accuracy, completeness or fairness of this Official Statement. From time to time O'Melveny & Myers LLP serves as counsel to the Underwriters on matters that do not relate to the Port or to the 2021 Series H Intermediate Lien Bonds.

Certain legal matters in connection with the 2021 Series H Intermediate Lien Bonds will be passed upon for the Port by Michele Heffes, Port Attorney. Other legal matters in connection with the 2021 Series H Intermediate Lien Bonds will be passed upon for the Board by Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP. Neither the Port's Attorney nor Underwriters' Counsel is rendering an opinion as to the validity or tax status of the 2021 Series H Intermediate Lien Bonds. Any opinion of Underwriters' Counsel will be rendered solely to the Underwriters, and any opinion of Underwriters' Counsel and the Port Attorney will be limited in scope and cannot be relied upon by investors.

LITIGATION

There are several lawsuits and claims pending against the Port, including a number of personal injury, environmental, contract and employment claims. The aggregate amount of pending lawsuits and uninsured claims against the Port of which the Port Attorney is currently aware, if concluded adversely to the Port, would not, in the opinion of the Port Attorney, have a material adverse effect on the Port's overall financial condition.

RATINGS

The 2021 Series H Intermediate Lien Bonds have been assigned underlying ratings of "A" by S&P, "A2" by Moody's, and "A" by Fitch. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell or hold the 2021 Series H Intermediate Lien Bonds. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the same. The Port furnished to such rating agencies certain information and materials regarding the 2021 Series H Intermediate Lien Bonds. Generally, rating agencies base their ratings on the information and materials furnished to them and on their own investigations, studies and assumptions. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, or any of them, if, in their or its judgment, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price or marketability of the 2021 Series H Intermediate Lien Bonds. The Board has assumed no responsibility either to contest any proposed change in or withdrawal of any such rating subsequent to the date hereof.

UNDERWRITING

The 2021 Series H Intermediate Lien Bonds are being purchased from the Port by BofA Securities, Inc., Goldman Sachs & Co. LLC, Siebert Williams Shank & Co., LLC, Backstrom McCarley Berry & Co., LLC, Blaylock Van, LLC, and Loop Capital Markets, LLC (collectively, the "Underwriters"), at a price of $218,299,360.81 (consisting of the aggregate principal amount of $182,010,000.00, plus an original issue premium of $36,743,603.80, less an Underwriters' discount of $454,242.99), subject to the terms of a Bond Purchase Contract between the Board and the Underwriters. The Bond Purchase Contract provides that the Underwriters shall purchase all of the 2021 Series H Intermediate Lien Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices set forth on the inside front cover hereof may be changed from time to time by the Underwriters without prior notice.

The Underwriters may offer and sell the 2021 Series H Intermediate Lien Bonds to certain dealers or unit investment trusts and money market or other funds and others at lower prices than the initial offering prices corresponding to the yields set forth on the inside cover, and such initial offering prices may be changed from time to time by the Underwriters without notice.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Port, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Port.

BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

RELATIONSHIP OF CERTAIN PARTIES

Bank of America, N.A., an affiliate of BofA Securities, Inc., an underwriter with respect to the 2021 Series H Intermediate Lien Bonds, is a provider of direct-pay letters of credit to the Port for its CP Notes. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS—Subordinated Obligations—Commercial Paper."

CONTINUING DISCLOSURE

In connection with the issuance of the 2021 Series H Intermediate Lien Bonds, the Board will execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which will provide for disclosure obligations on the part of the Board. Under the Continuing Disclosure Certificate, the Board will covenant for the benefit of the owners and Beneficial Owners of the 2021 Series H Intermediate Lien Bonds to provide financial information and operating data (the "Annual Report") by not later than 240 days following the end of its Fiscal Year (currently June 30), commencing with the report for Fiscal Year 2021, and to provide notices of the occurrence of certain enumerated events. The Board or its dissemination agent is required to file Annual Reports and notices of enumerated events with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system. These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the "Rule"). See APPENDIX F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE." In the last five years, the Port has complied, in all material respects, with its existing continuing disclosure undertakings required by the Rule.

MUNICIPAL ADVISOR

Montague DeRose and Associates, LLC (the "Municipal Advisor") has acted as municipal advisor to the Board in connection with the issuance of the 2021 Series H Intermediate Lien Bonds. The Municipal Advisor is an Independent Registered Municipal Advisor under Section 15B of the Securities Exchange Act of 1934 and the rules promulgated thereunder by the SEC. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The audited basic financial statements of the Port for Fiscal Years 2020 and 2019 are included in this Official Statement as APPENDIX A. The financial statements referred to in the preceding sentence have been audited by Macias, Gini and O'Connell LLP (the "Auditors"), whose report with respect thereto also appears in APPENDIX A. The Auditors have consented to the use of their names and to the inclusion of their report in this Official Statement.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the 2021 Series H Intermediate Lien Bonds. The summaries provided in this Official Statement and the appendices attached hereto in connection with the 2021 Series H Intermediate Lien Bonds and the documents referred to herein do not purport to be comprehensive or definitive and all references to the documents summarized are qualified in their entirety by reference to each such document. All references to the 2021 Series H Intermediate Lien Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents.

Statements in this Official Statement, including matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Port or the Underwriters and the purchasers of the 2021 Series H Intermediate Lien Bonds. The Board has authorized the distribution of this Official Statement.

CITY OF OAKLAND, CALIFORNIA ACTING BY AND THROUGH ITS BOARD OF PORT COMMISSIONERS

By /s/ Julie Lam
Acting Chief Financial Officer

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APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND JUNE 30, 2019
AND INDEPENDENT AUDITORS' REPORT

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Certified
Public
Accountants

Independent Auditor's Report

Board of Port Commissioners of the City of Oakland
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Port of Oakland (Port), a component unit of the City of Oakland, California, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Macias Gini & O'Connell LLP
2121 N. California Boulevard, Suite 750
Walnut Creek, CA 94596

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the Port's basic financial statements. The introductory and statistical sections, and the schedule of revenues and expenses by business line are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues and expenses by business line is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenses by business line is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 6, 2020

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is intended to provide information concerning known facts and conditions affecting the Port of Oakland's (Port) operations. The following discussion and analysis of the financial performance and activities of the Port provides an introduction and understanding of the financial statements of the Port for the fiscal years ended June 30, 2020 and 2019, with comparative information for June 30, 2018. This MD&A has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes, which follow this section. All dollar amounts are expressed in thousands unless otherwise indicated.

Financial Statement Overview

The Port's financial report includes the MD&A, financial statements, notes to the financial statements, required supplementary information and other supplementary information. The financial statements include the Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. In addition, the report includes a statistical section, which presents various financial and operating data.

The Port prepares the financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned, not when received, and expenses are recognized when incurred, not when paid. Capital assets are capitalized and, with the exception of land, air rights and noise easements, depreciated over their estimated useful lives.

Summary of Net Position

The Statements of Net Position present the financial position of the Port at the end of the fiscal year. The statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Port. Net Position, the difference between assets, deferred outflows/inflows of resources, and liabilities, is an indicator of the fiscal health of the Port and can provide an indication of improvement or deterioration of its financial position over time. A summarized comparison of the Port's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30 follows:

	2020	$ Change	% Change	2019	$ Change	% Change	2018
Current and other assets	$ 636,215	$ 45,858	7.8%	$ 590,357	$ 62,420	11.8%	$ 527,937
Capital assets, net	2,009,290	(62,984)	-3.0%	2,072,274	(92,296)	-4.3%	2,164,570
Total assets	2,645,505	(17,126)	-0.6%	2,662,631	(29,876)	-1.1%	2,692,507
Deferred outflows of resources	52,725	(1,686)	-3.1%	54,411	(15,811)	-22.5%	70,222
Debt outstanding	907,564	(70,090)	-7.2%	977,654	(81,544)	-7.7%	1,059,198
Other liabilities	463,799	(1,325)	-0.3%	465,124	(33,363)	-6.7%	498,487
Total liabilities	1,371,363	(71,415)	-4.9%	1,442,778	(114,907)	-7.4%	1,557,685
Deferred inflows of resources	16,960	6,382	60.3%	10,578	6,521	160.7%	4,057
Net investment in capital assets	1,169,486	14,230	1.2%	1,155,256	170	0.0%	1,155,086
Restricted for construction	6,275	(2,760)	-30.5%	9,035	(1,422)	-13.6%	10,457
Unrestricted	134,156	34,761	35.0%	99,395	63,951	180.4%	35,444
Total net position	$ 1,309,917	$ 46,231	3.7%	$ 1,263,686	$ 62,699	5.2%	$ 1,200,987

Summary of Net Position (continued)

2020

Unrestricted net position increased $34,761 or 35.0% due to an increase in unrestricted cash equivalents that was generated from operations

Net position restricted for construction consists of cash equivalents and accounts receivable related to the collection of Passenger Facilities Charges and Customer Facilities Charges which are restricted for the construction of specific assets at the Airport. Restricted net position decreased $2,760 or 30.5% due to the release of restricted cash for payment of commercial paper previously issued for PFC eligible projects, offset by the collection of PFC revenues.

Net investment in capital assets increased $14,230 or 1.2% due to a decrease in long-term debt of $70,090 and a increase in accounts payable on construction contracts of $6,499, offset by a net decrease in capital assets of $62,984. For a detailed discussion on capital assets and long-term debt, refer to pages 12-14 for more details.

2019

Unrestricted net position increased $63,951 or 180.4% due to an increase in unrestricted cash equivalents that was generated from operations and the collection of grant reimbursements for the runway overlay project funded by the Airport Improvement Program which was substantially completed in the prior year.

Net position restricted for construction consists of cash equivalents and accounts receivable related to the collection of Passenger Facilities Charges and Customer Facilities Charges which are restricted for the construction of specific assets at the Airport. Restricted net position decreased $1,422 due to the release of restricted cash for payment of commercial paper previously issued for PFC eligible projects offset by the collection of PFC revenues.

Net investment in capital assets increased $170 due to a decrease in long-term debt of $81,544 and a decrease in accounts payable on construction contracts of $9,394, offset by a net decrease in capital assets of $92,296. For a detailed discussion on capital assets and long-term debt, refer to pages 12-14 for more details.

(dollar amounts in thousands)

Summary of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position reflect how the Port's net position changed during the most recent fiscal year compared to the prior year. These changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. A summary of the Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30 follows:
`

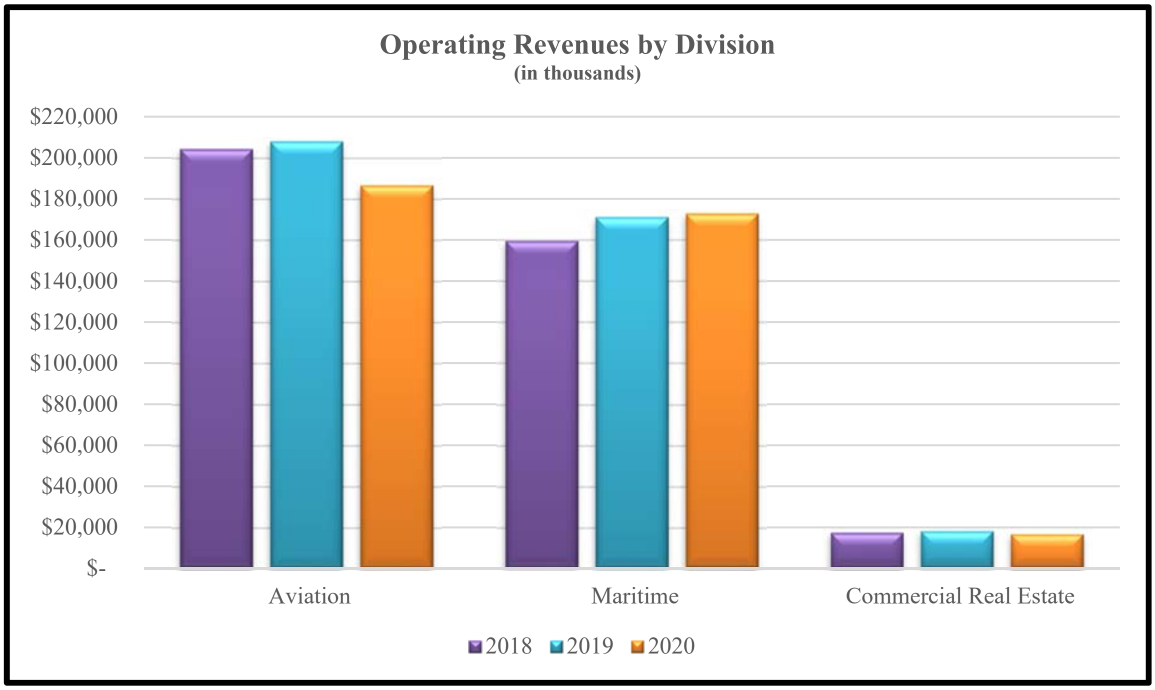
	Twelve Months Ended						
	2020	$ Change	% Change	2019	$ Change	% Change	2018
Operating revenues	$ 375,915	$ (21,082)	-5.3%	$ 396,997	$ 15,986	4.2%	$ 381,011
Passenger facility charges revenue	16,285	(9,534)	-36.9%	25,819	(84)	-0.3%	25,903
Customer facility charges revenue	3,890	(1,531)	-28.2%	5,421	(104)	-1.9%	5,525
Interest income	11,013	(2,350)	-17.6%	13,363	8,254	161.6%	5,109
Grant revenue	-	(454)	-100.0%	454	130	40.1%	324
Other income	12,195	9,420	339.5%	2,775	(4,112)	-59.7%	6,887
Total revenues	419,298	(25,531)	-5.7%	444,829	20,070	4.7%	424,759
Operating expenses before depreciation	221,379	5,347	2.5%	216,032	10,487	5.1%	205,545
Depreciation	113,983	(938)	-0.8%	114,921	2,889	2.6%	112,032
Interest expense	34,162	(2,442)	-6.7%	36,604	(3,091)	-7.8%	39,695
Customer facility charges expense	4,741	(699)	-12.8%	5,440	762	16.3%	4,678
Loss on disposal of capital assets	2,616	(8,248)	-75.9%	10,864	10,859	217180.0%	5
Other expense	3,563	(2,490)	-41.1%	6,053	(22,843)	-79.1%	28,896
Grant expense	-	(454)	-100.0%	454	130	40.1%	324
Total expenses	380,444	(9,924)	-2.5%	390,368	(807)	-0.2%	391,175
Change in net position before capital contributions	38,854	(15,607)	-28.7%	54,461	20,877	62.2%	33,584
Capital contributions - Grants from government agencies	7,377	(861)	-10.5%	8,238	(41,934)	-83.6%	50,172
Increase in net position	46,231	(16,468)	-26.3%	62,699	(21,057)	-25.1%	83,756
Net position, beginning of the year	1,263,686	62,699	5.2%	1,200,987	83,756	7.5%	1,117,231
Net position, end of the year	$ 1,309,917	$ 46,231	3.7%	$ 1,263,686	$ 62,699	5.2%	$ 1,200,987

(dollar amounts in thousands)

Operating Revenues by Division

A condensed summary of operating revenues for the years ended June 30 follows:

Division	2020	2019	2018
Aviation	$ 186,589	$ 208,022	$ 204,293
Maritime	172,740	170,976	159,458
Commercial Real Estate	16,586	17,999	17,260
Total	$ 375,915	$ 396,997	$ 381,011



Operating Revenues by Division (continued)

2020

The Port's total operating revenues decreased approximately $21,082 or 5.3% from $396,997 in fiscal year 2019 to $375,915 in fiscal year 2020.

The Aviation Division generated $186,589 or 49.6% of the Port's total operating revenues in fiscal year 2020. Aviation's operating revenues decreased approximately $21,433 or 10.3% from $208,022 in fiscal year 2019 to $186,589 in fiscal year 2020. The decrease in Aviation operating revenue was primarily due to decrease in parking and ground access revenue of $14,789, a decrease in terminal concessions revenue of $2,873 and a decrease in landing fees.

The Maritime Division generated $172,740 or 46.0% of the Port's total operating revenues in fiscal year 2020. Maritime's operating revenues increased approximately $1,764 or 1.0% from $170,976 in fiscal year 2019 to $172,740 in fiscal year 2020. The increase in Maritime operating revenue was primary due to: scheduled rent adjustments and higher miscellaneous terminal revenues; and partially offset by decease in rail terminal revenue and shore power usage.

The Commercial Real Estate Division generated $16,586 or 4.4% of the Port's total operating revenues in fiscal year 2020. Commercial Real Estate's operating revenues decreased approximately $1,413 or 7.9% from $17,999 fiscal year 2019 to $16,586 in fiscal year 2020. The decrease in Commercial Real Estate revenue was primarily due to lower percentage rents from hotels, parking revenue and abatement of rents for restaurants.

2019

The Port's total operating revenues increased approximately $15,986 or 4.2% from $381,011 in fiscal year 2018 to $396,997 in fiscal year 2019.

The Aviation Division generated $208,022 or 52.4% of the Port's total operating revenues in fiscal year 2019. Passenger traffic increased 1.94% from 13.36 million passengers in fiscal year 2018 to 13.62 million passengers in fiscal year 2019. Aviation's operating revenues increased approximately $3,729 or 1.8% from $204,293 in fiscal year 2018 to $208,022 in fiscal year 2019. The increase in Aviation operating revenue was primarily due to increases in terminal rental revenue of $3,835. Terminal rental revenue increased due to an increase in the terminal rental rates from $285.25 per square foot in 2018 to $301.16 per square foot in 2019. This is 5.6% or $15.91 per square foot higher than the fiscal year 2017-18 rate. Additionally, Transportation Network Companies (TNC) revenue increased $1,662 due to an increase in trip volume. The increase in TNC revenues was offset by a decrease in parking revenue of $1,031 and a decrease in terminal concessions revenue of $571 due to ongoing renovations of the terminal concessions which temporarily decreased available concession space.

The Maritime Division generated $170,976 or 43.1% of the Port's total operating revenues in fiscal year 2019. Maritime's operating revenues increased approximately $11,518 or 7.2% from $159,458 in fiscal year 2018 to $170,976 in fiscal year 2019. The increase in Maritime operating revenue was primarily due to: scheduled rent adjustments at one marine terminal resulting in additional fixed rent; higher cargo activity at one marine terminal that generated additional variable rent; higher cargo activity at the rail terminal; growing usage of port-operated truck parking facilities; and an increase in utility revenue that resulted mainly from greater shore power usage.

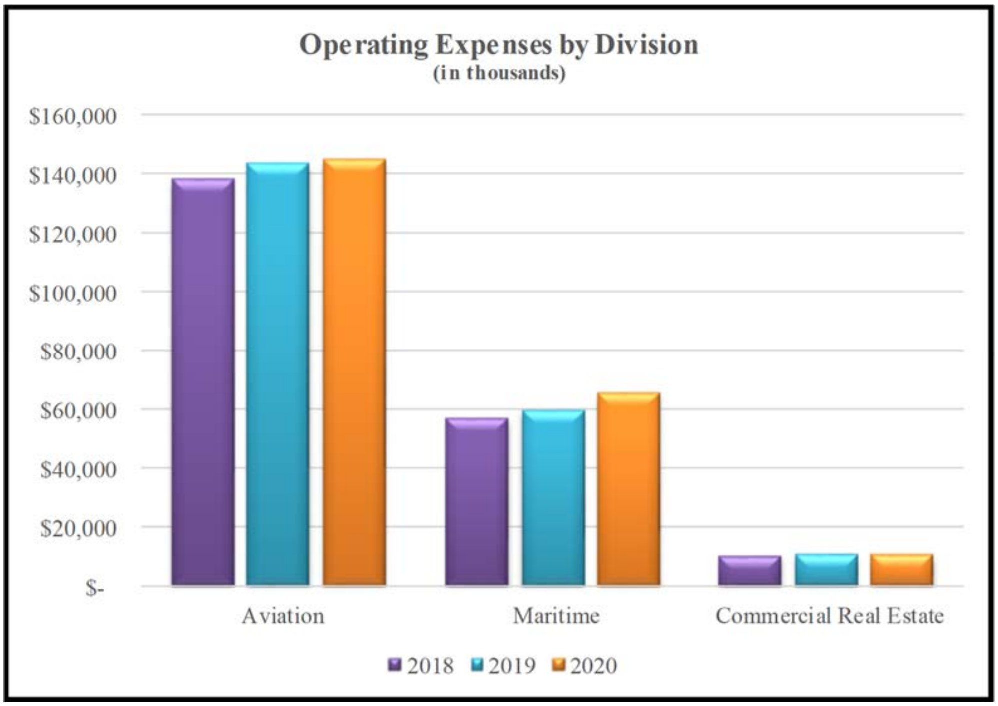
(dollar amounts in thousands)

The Commercial Real Estate Division generated $17,999 or 4.5% of the Port's total operating revenues in fiscal year 2019. Commercial Real Estate's operating revenues increased approximately $739 or 4.3% from $17,260 fiscal year 2018 to $17,999 in fiscal year 2019. The increase in Commercial Real Estate revenue was primarily due to increases in percentage rents and incremental increases in minimum rents.

Operating Expenses by Division

A condensed summary of operating expenses (excluding depreciation) for the year ended June 30 follows:

Division	2020	2019	2018
Aviation	$ 145,068	$ 145,343	$ 138,189
Maritime	65,590	59,757	57,031
Commercial Real Estate	10,721	10,932	10,325
Total	$ 221,379	$ 216,032	$ 205,545



Operating Expenses by Division (continued)

2020

The Port's operating expenses, excluding depreciation, increased approximately $5,347 or 2.5% from $216,032 in fiscal year 2019 to $221,379 in fiscal year 2020.

The Aviation Division represented 65.5% of the Port's total operating expenses in fiscal year 2020. Aviation's operating expenses decreased by $275, or less than 1.0% from $145,343 in fiscal year 2019 to $145,068 in fiscal year 2020. The decrease in operating expense was primarily due to a decrease in maintenance and engineering due to reductions in contractual obligations offset by an increase in security and fire protection.

The Maritime Division represented 29.6% of the Port's total operating expenses in fiscal year 2020. Maritime's operating expenses increased $5,833 or 9.8% from $59,757 in fiscal year 2019 to $65,590 in fiscal year 2020. The increase in operating expense was primarily due to maintenance and engineering related costs due to reimbursement of contractual work done by tenants and performing maintenance dredging in a larger area.

The Commercial Real Estate Division represented 4.8% of the Port's total operating expenses in fiscal year 2020. Commercial Real Estate's operating expenses decreased by $211 or 1.9% from $10,932 in fiscal year 2019 to $10,721 in fiscal year 2020.

2019

The Port's operating expenses, excluding depreciation, increased approximately $10,487 or 5.1% from $205,545 in fiscal year 2018 to $216,032 in fiscal year 2019.

The Aviation Division represented 67.3% of the Port's total operating expenses in fiscal year 2019. Aviation's operating expenses increased by $7,154 or 5.2% from $138,189 in fiscal year 2018 to $145,343 in fiscal year 2019. The increase in operating expense was primarily due to a $3,537 increase for security and fire protection.

The Maritime Division represented 27.7% of the Port's total operating expenses in fiscal year 2019. Maritime's operating expenses increased $2,726 or 4.8% from $57,031 in fiscal year 2018 to $59,757 in fiscal year 2019. The increase in operating expense was primarily due to a $2,434 increase in maintenance and engineering related costs due to a focus on maintenance type projects following the completion of large capital projects in the prior year.

The Commercial Real Estate Division represented 5.0% of the Port's total operating expenses in fiscal year 2019. Commercial Real Estate's operating expenses increased by $607 or 5.9% from $10,325 in fiscal year 2018 to $10,932 in fiscal year 2019.

(dollar amounts in thousands)

Depreciation Expense by Division

A summary of depreciation expense as of June 30 follows:

Division	2020	2019	2018
Aviation	$ 56,019	$ 56,577	$ 55,188
Maritime	55,300	55,934	54,334
Commercial Real Estate	2,664	2,410	2,510
Total	$ 113,983	$ 114,921	$ 112,032
Depreciation by funding source:			
Grant, PFC and CFC funded portion	$ 38,741	$ 40,581	$ 32,021
Internal and debt funded portion	75,242	74,340	80,011
Total	$ 113,983	$ 114,921	$ 112,032

In fiscal year 2020, depreciation expense decreased $937 or 0.8%. Maritime's depreciation decreased approximately $595 due to several assets that fully depreciated during the year. Aviation depreciation expense decreased $593 due to several assets that fully depreciated during the year. Commercial Real Estate's depreciation increased approximately $250 due to assets placed in service during the year. The most significant assets placed in service by the Commercial Real Estate division were for JLS Building Improvements.

In fiscal year 2019, depreciation expense increased $2,889 or 2.6%. Aviation depreciation expense increased $1,389 due to assets placed in service during the year. The most significant assets placed in service by the Aviation division related to the Explosives Detection Systems Recapitalization and Terminal 1 eGSE infrastructure improvements projects. Maritime's depreciation increased approximately $1,600 due to assets placed in service during the year. The most significant assets placed in service by the Maritime division were the Coolport Rail and additional crane raises at Oakland International Container Terminal. Commercial Real Estate's depreciation decreased approximately $100 due to several assets that fully depreciated during the year.

Interest Expense

Interest expense decreased $2,442 or 6.7% in fiscal year 2020, from $36,604 in fiscal year 2019 to $34,162 in fiscal year 2020. Interest expense decreased $3,091 or 7.8% in fiscal year 2019, from $39,695 in fiscal year 2018 to $36,604 in fiscal year 2019. The decreases in interest expense were the result of scheduled principal payments in fiscal 2019 and 2020, reducing the overall amount of debt outstanding, and the refunding of 2007 Series Bonds in fiscal year 2018 which further reduced outstanding debt.

(dollar amounts in thousands)

Other Expense

Other expense decreased $2,490 in fiscal year 2020, from $6,053 in fiscal year 2019 to $3,563 in fiscal year 2020, following a decrease in other expense in fiscal year 2019 of $22,843 from $28,896 in fiscal year 2018.

Loss on Disposal Capital Assets

Loss on disposal of capital assets decreased $8,249 from $10,865 in fiscal year 2019 to $2,616 in fiscal year 2020 due primarily to the one-time abandonment of design and other construction in progress costs of $10,927.

Other Income

Other income increased $9,420 in fiscal year 2020 from $2,775 in fiscal year 2019 to $12,195 in fiscal year 2020, following a decrease in other income in fiscal year 2019 of $4,112, from $6,887 in fiscal year 2018. The 2020 increase was driven by payments from various legal settlements received during fiscal year 2020.

Capital Contributions

Capital contributions consist solely of grants received from other government agencies. Grants, for the most part, are restricted for the acquisition or construction of capital assets. A condensed summary of capital contributions by granting agency for the year ended June 30 follows:

	2020	2019	2018
U.S. Department of Transportation:			
Airport Improvement Program	$ 4,076	$ 3,798	$ 41,662
Transportation Investment Generating Economic Recovery	-	-	-
U.S. Department of Homeland Security:			
Port Security Grant Program	1,967	-	121
Trade Corridor Improvement Fund	-	-	5,000
Other grant programs	1,334	4,440	3,389
Total capital contributions	$ 7,377	$ 8,238	$ 50,172

In fiscal year 2020, grants from government agencies decreased approximately $861 or 10.5% from $8,238 in fiscal year 2019 to $7,377 in fiscal year 2020. The decrease is driven by the completion of grant funded projects during the year and the start of new grant funded projects late in the year. The majority of capital contributions recognized by the Port in fiscal year 2020 was from the Airfield Signs, SF Paving Tango and Tug 1 final closeout, taxiway rehabilitation projects, and other airport infrastructure related projects.

In fiscal year 2019, grants from government agencies decreased approximately $41,934 or 83.6% from $50,172 in fiscal year 2018 to $8,238 in fiscal year 2019. The decrease is driven by the completion of grant funded projects during the year and the start of new grant funded projects late in the year. The majority of capital contributions recognized by the Port in fiscal year 2019 was from electric charging stations project for Terminal 1, final closeout of the Runway Safety Area Project, and other airport infrastructure related projects.

(dollar amounts in thousands)

Capital Assets (net of depreciation) and Capital Improvement Plan

A summary of capital assets, net of depreciation and amortization as of June 30 follows:

	2020	2019	2018
Capital assets:			
Land	$ 524,187	$ 523,400	$ 523,382
Noise easements and air rights	25,853	25,853	25,853
Construction in progress	52,654	18,661	41,451
Buildings and improvements	328,282	349,783	368,764
Container cranes	38,663	44,567	45,978
Infrastructure	995,973	1,063,723	1,124,033
Software	1,400	2,796	4,201
Other equipment	42,278	43,491	29,908
Total	$ 2,009,290	$ 2,072,274	$ 2,163,570

Net Capital assets decreased by approximately $62,984 or 3.0% in fiscal year 2020, due to capital asset additions of $53,616, offset by retirements and abandoned construction in progress of $2,616 and an increase in accumulated depreciation of $113,984. Major additions to capital assets in fiscal year 2020 were related to Capacitor Banks for Power Factor Correction, Major Repair Taxiway Charlie, and Joint Traffic Management Center Emergency Operation Center projects.

Net capital assets decreased by approximately $92,296 or 4.3% in fiscal year 2019, due to construction in progress and capital asset additions totaling $34,663, offset by retirements and abandoned construction in progress of $12,038 and an increase in accumulated depreciation of $114,921. Major additions to capital assets in fiscal year 2019 were related to the Explosive Detection Systems Recapitalization, Tango Remote Hardstand and Coolport Rail projects.

Information on the Port's capital assets can be found in Note 4 Changes in Capital Assets in the accompanying notes to the financial statements. As of June 30, 2020, the Port had construction commitments of approximately $20,818 for current projects including the Airport Perimeter Dike Improvements, various Airport terminal improvements, and Maritime substation equipment. Additional information on the Port's construction commitments can be found in Note 12 Commitments.

On June 25, 2020, a five-year (fiscal year 2021-2025) Capital Improvement Plan (CIP) in the amount of $499.6 million was presented to the Board of Commissioners (Board) for informational purposes. For fiscal year 2021, the Board adopted a capital budget of $72.3 million.

The FY 2021 capital budget reflects prioritization of health and life safety, regulatory compliance, policy and contractual obligations, and preservation and generation of revenue.

(dollar amounts in thousands)

Debt Administration

The following table summarizes the Port's outstanding debt as of June 30:

	2020	2019	2018
Bond Indebtedness	$ 788,075	$ 840,790	$ 891,695
Dept. of Boating and Waterway Loan	3,621	3,903	4,173
Commercial Paper	75,591	84,475	105,370
Subtotal debt	867,287	929,168	1,001,238
Net unamortized premium (discount)	40,277	48,486	57,960
Total debt	$ 907,564	$ 977,654	$ 1,059,198

In fiscal year 2020, the Port's total debt decreased approximately $70,070 or 7.2%, from $977,654 in fiscal year 2019 to $907,564 in fiscal year 2020. The decrease resulted in part from principal payments of $76,397 on outstanding bonds, commercial paper, and a loan with the Department of Boating and Waterways. A further decrease to unamortized bond discount/premium totaling $8,209 was also recognized. Finally, the above decreases to outstanding debt were offset by the issuance of $14,516 of new commercial paper notes.

In fiscal year 2019, the Port's total debt decreased approximately $81,544 or 7.7%, from $1,059,198 in fiscal year 2018 to $977,654 in fiscal year 2019. The decrease resulted in part from principal payments of $71,425 on outstanding bonds, commercial paper, and a loan with the Department of Boating and Waterways. A further $645 of 2012 Series P Bonds was defeased in a separate transaction during the fiscal year. Finally, a decrease to unamortized bond discount/premium totaling $9,474 was also recognized.

The debt coverage ratios for the years ended June 30 were as follows:

	2020	2019	2018
Senior Lien	3.50	4.21	3.98
Intermediate Lien	1.77	2.08	1.82

The Senior Lien and Intermediate Lien debt service coverage ratios are calculated pursuant to the bond indentures.

Additional information on the Port's debt activity can be found in Note 5 Debt in the accompanying notes to the financial statements.

Credit Ratings

The Port's credit ratings as of June 30, 2020 are as follows:

- Standard & Poor's Rating Service (S&P) underlying rating on the Port's Senior Lien Bonds is "A+", and the underlying rating on the Intermediate Lien Bonds is "A". The rating on the Port's Commercial Paper Notes for all series is "A-1".
- Moody's Investors Service, Inc. (Moody's) underlying rating on the Port's Senior Lien Bonds is "A1", and the underlying rating on the Intermediate Lien Bonds is "A2". The rating on the Port's Commercial Paper Notes for all series is "P1". In addition, Moody's has set a subordinate lien rating of "A3" on the bank note established for the Port's Commercial Paper Program.
- Fitch Ratings' (Fitch) underlying rating on the Port's Senior Lien Bonds is "A+", and the underlying rating on the Intermediate Lien Bonds is "A". The rating on the Port's Commercial Paper Notes for all series is "F1". In addition, Fitch has set a subordinate lien rating of "A" on the bank note established for the Port's Commercial Paper Program.

Notes to the Financial Statements

The notes to the Port's financial statements can be found on pages 23-68 of this report. These notes provide additional information that is essential to a full understanding of the financial statements.

Facts and Conditions Affecting the Port's Operation

The outbreak of COVID-19, a respiratory disease first reported in China in December 2019, was declared a global pandemic by the World Health Organization. As a result of the spread of COVID-19 into the United States, a national state of emergency was declared on March 13, 2020. The U.S. Department of State and the Center for Disease Control and Prevention, as well as other governmental authorities, nations, and companies, have issued travel restrictions and warnings for countries around the world, including the United States. The federal government and many states, counties and cities, including the Bay Area and California, have instituted social distancing guidelines and/or stay-at-home health orders, with certain exceptions, and for various periods of time. The guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, the cancellation of numerous events, avoiding social groups, and limitations on the operations of restaurants, bars and other gathering establishments. While the Port operations have continued largely uninterrupted throughout the pandemic due to the essential nature of its core businesses, the measures adopted to contain the spread of the COVID-19 have had, and continue to have, a severe negative impact to travel-related industries, including airlines serving the Airport and Airport Concessionaires, as well as local restaurants, and to a lesser extent, Seaport activity. The Port cannot predict how long social distancing or other preventive guidelines will be in effect, nor when or whether stay-at-home orders may be in effect, modified, or rescinded.

Aviation

The Airport is one of three commercial airports serving the San Francisco Bay Area: the Airport, San Francisco International (SFO), and Norman Mineta San José International (SJC). The Bay Area airports, especially the Airport and SFO, serve overlapping markets and compete for passengers who frequently consider more than one Bay Area airport when purchasing air travel. Additionally, airlines may shift their operations among the Bay Area airports based upon local competition and each airline's market share

Aviation (continue)

goals. Air carriers also consider airport operating costs, the availability of airport facilities and, in some cases,the location of existing alliance partner flight activity as contributing factors in their flight schedule decision-making process. In addition to the aforementioned factors, the activity levels at the Airport are also sensitive to general economic conditions, acts of terrorism or disease epidemic/pandemic, such as the current COVID-19 pandemic, which has significantly impacted demand for air travel. As a result, the Airport has amended certain airline and concessionaire contracts to allow for the deferred payment of certain rents and in limited cases, the waiver of certain minimum rent payments for a limited time. The Airport is unable to predict how market competition or future economic conditions will affect the Airport's operations.

Maritime

The Seaport is the principal ocean gateway for international containerized cargo shipments in Northern California. Historically, the Seaport has managed a balance of import and export trade, with a strong export base of California's premium agricultural products, Midwestern protein, and other U.S. goods bound for foreign markets. The Port is a part of global supply chains for importers and exporters; as such, it is sensitive to fluctuations in the U.S. and global economies and impacted by business decisions of other participants in the supply chain. The global fight to contain the spread of COVID-19 has disrupted global demand for goods, impacted manufacturing supply chains, and limited the overall movement of marine cargo and the number of vessel calls around the world. At this time, the Port cannot predict the actions of shipping lines nor the larger maritime business trends that could impact the Port of Oakland.

Approximately 85% of all cargo handled at the Seaport originates from or is destined to a local or regional location. The Seaport competes with other ports primarily for discretionary intermodal rail cargo, which is cargo that originates from or is destined to inland destinations and that, therefore, could be shipped through any one of several ports. Discretionary intermodal rail cargo is about 15% of the Port's total cargo throughput. Expansion of other ports or future infrastructure developments (such as increased channel depth and Panama Canal expansion) could result in diversion of this type of intermodal cargo from West Coast ports to East Coast and Gulf ports. As the Seaport continues to work towards expanding its market share of such cargo, these types of developments could hinder the Port's efforts. The Port cannot predict the scope of potential impacts at this time.

About 75% of the cargo handled at the Port is the result of trade with Asia, particularly China. Tariffs enacted, scheduled to be enacted, or scheduled to increase significantly by action of both China and the U.S. in 2018-2019 could negatively impact import and export cargo volume at U.S. ports, including the Port of Oakland. The scope of the impact depends on many factors, including, for example, the flexibility of a company's supply chain (i.e., sourcing and/or manufacturing location options) and consumers' ability to absorb additional costs. The Port cannot accurately predict the scope of potential impacts at this time.

Separate from these issues, the maritime industry as a whole has been facing significant economic pressure for several years, which has resulted in major financial losses, bankruptcy, marine terminal closures, formation of new shipping line alliances, and consolidation within segments of the supply chain. While the Port's marine terminal tenants and shipping line customers appear stable at this time, the industry remains fragile. The Port cannot predict additional changes that may occur in various segments of the supply chain, and therefore the Port cannot predict the scope of potential resulting impacts at this time.

Maritime (continue)

Additionally, the maritime industry is vulnerable to strikes and other union activities, particularly activities related to the union labor employed by the marine terminal operators, but also activities of "sympathetic" unions. The labor agreement between the International Longshore and Warehouse Union, the union representing most dockworkers at all United States West Coast ports, and the Pacific Maritime Association, which represents companies engaged in shipping to or through ports on the West Coast of the United States, expires on July 1, 2022. Historically, certain labor disruptions have affected the competitive position of all West Coast ports, including the Seaport, while others have had port-specific impacts that negatively affected one port while benefiting another port (for example, when cargo is diverted). The Seaport's marine terminal leases provide certain assurances for revenue collection in the event of a strike or lockout; however, these assurances are inherently limited and are not designed to mitigate the impact of long-term cargo shifts to other ports if a labor disruption resulted in major, sustained cargo diversion.

Commercial Real Estate

Over the last decade, the Commercial Real Estate Division has leased most of its properties to developers or tenants under long-term ground leases, under which the developer or tenant is responsible for the development, subleasing, operation and maintenance of the improvements on the properties. The Port continues to work with the developers to ensure the properties are developed and managed in ways that are compliant with California Tidelands Trust regulations, however most of the development cost and financial risk is held by the developers.

The COVID-19 pandemic has impacted several Commercial Real Estate tenants' ability to operate their businesses. The shelter-in-place order issued by Alameda County in March of 2020 limited many restaurants, including the six restaurants located on Commercial Real Estate properties, to take-out or delivery services. While restaurants wereable to offer on-premise dining starting June 19, 2020, only outdoor dining was initially permitted. Beginning October 26, 2020, indoor dining is allowed at reduced occupancy. It is unclear what new regulations will apply to dining and lodging businesses if and when Alameda County's shelter-in place order is further relaxed and/or lifted, and whether or not those new regulations will have a significant impact on the financial viability of these types of uses, particularly restaurant uses.

Contacting the Port's Financial Management

Requests for additional information about this report should be addressed to the Financial Services Division, Port of Oakland, 530 Water Street, Oakland, California 94607 or visit the Port's website at www.portofoakland.com.

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Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Net Position
June 30, 2020 and 2019
(dollar amounts in thousands)

		2020		2019
Assets				
Current assets:				
Unrestricted:				
Cash equivalents	$	477,357	$	448,988
Accounts receivable (less allowance for doubtful accounts of $2,073 in 2019 and $1,063 in 2018)		34,075		27,469
Prepaid expenses and other assets		3,631		3,906
Total unrestricted current assets		515,063		480,363
Restricted:				
Cash equivalents		19,991		5,886
Investments		58,237		58,361
Deposits in escrow		179		-
Passenger facility charges and customer facility charges receivable		800		3,149
Accrued interest receivable		-		330
Total restricted current assets		79,207		67,726
Total current assets		594,270		548,089
Non-current assets:				
Capital assets:				
Land		524,187		523,400
Noise easements and air rights		25,853		25,853
Construction in progress		52,654		18,661
Buildings and improvements		991,300		990,898
Container cranes		159,197		159,197
Infrastructure		2,147,084		2,135,918
Software		13,844		13,844
Other equipment		125,568		120,917
Total capital assets, at cost		4,039,687		3,988,688
Less accumulated depreciation		(2,030,397)		(1,916,414)
Capital assets, net		2,009,290		2,072,274
Other receivables		26,964		27,443
Other assets		14,981		14,825
Total non-current assets		2,051,235		2,114,542
Total assets		2,645,505		2,662,631
Deferred Outflows of Resources				
Loss on refunding		5,330		5,948
Deferred outflows related to pensions		33,250		33,569
Deferred outflows related to OPEB		14,145		14,894
Total deferred outflows of resources	$	52,725	$	54,411

(Continued)

The accompanying notes are an integral part of these financial statements.

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Net Position (continued)
June 30, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 30,186	$ 26,181
Retentions on construction contracts	2,089	1,416
Environmental and other	10,404	13,255
Accrued interest	6,580	7,060
Long-term debt, net	62,413	61,216
Liability to City of Oakland	10,571	10,136
Unearned revenue	7,802	7,788
Total current liabilities	130,045	127,052
Non-current liabilities:		
Environmental and other	44,263	45,382
Long-term debt, net	845,151	916,438
Net pension liability	217,833	206,112
Net OPEB liability	87,162	99,866
Deposits	23,228	23,034
Unearned revenue	23,671	24,894
Total non-current liabilities	1,241,308	1,315,726
Total liabilities	1,371,353	1,442,778
Deferred Inflows of Resources		
Deferred inflows related to pensions	8,770	8,938
Deferred inflows related to OPEB	8,190	1,640
Total deferred inflows of resources	16,960	10,578
Net Position		
Net investment in capital assets	1,169,486	1,155,256
Restricted for construction	6,275	9,035
Unrestricted	134,156	99,395
Total net position	$ 1,309,917	$ 1,263,686

(Concluded)

The accompanying notes are an integral part of these financial statements.

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Operating revenues:		
Lease rentals - terminal	$ 187,253	$ 183,923
Lease rentals - other	73,281	69,920
Parking fees and ground access	51,249	67,077
Landing fees	31,334	36,849
Terminal concessions	7,057	9,930
Utility sales	16,698	18,606
Rail terminal rent	2,492	3,979
Fueling	2,313	2,582
Other	4,238	4,131
Total operating revenues	375,915	396,997
Operating expenses:		
Personnel services, materials, services, supplies, and other	76,198	74,946
Maintenance and engineering	67,720	66,726
Marketing and public relations	5,914	6,357
Administration and general services	20,599	19,843
Utilities	13,229	11,887
Security, police and fire	37,719	36,273
Depreciation	113,983	114,921
Total operating expenses	335,362	330,953
Operating income	40,553	66,044
Non-operating revenues (expenses):		
Interest income	11,013	13,363
Interest expense	(34,162)	(36,604)
Customer facility charges revenue	3,890	5,421
Customer facility charges expenses	(4,741)	(5,440)
Passenger facility charges	16,285	25,819
Other income	12,195	2,775
Other expense	(3,563)	(6,053)
Grant income	-	454
Grant expenses	-	(454)
Loss on disposal of capital assets	(2,616)	(10,864)
Total non-operating revenues (expenses), net	(1,699)	(11,583)
Increase in net position before capital contributions	38,854	54,461
Capital contributions - Grants from government agencies	7,377	8,238
Increase in net position	46,231	62,699
Net position, beginning of the year	1,263,686	1,200,987
Net position, end of the year	$ 1,309,917	$ 1,263,686

The accompanying notes are an integral part of these financial statements.

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Cash Flows
For the years ended June 30, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Cash flows from operating activities:		
Receipts from tenants and customers	$ 370,966	$ 397,648
Payments to suppliers	(106,089)	(102,917)
Payments to employees	(74,773)	(73,984)
Payments to employee retirement plans	(25,186)	(21,832)
Payments to employee OPEB plan	(13,943)	(14,708)
Other non-operating payments	(3,565)	(5,475)
Other non-operating receipts	538	286
Net cash provided by operating activities	147,948	179,018
Cash flows from noncapital financing activities:		
Proceeds from government agencies for recovery of operating costs	-	454
Proceeds from insurance and other recoveries	11,658	2,489
Net cash provided by noncapital financing activities	11,658	2,943
Cash flows from capital and related financing activities:		
Proceeds from new borrowings	14,516	-
Repayments/refunding of debt	(76,397)	(72,070)
Grants from government agencies	5,028	22,383
Interest paid on debt	(42,233)	(45,696)
Purchase of capital assets	(47,117)	(46,996)
Proceeds from sale of capital assets	-	63
Customer facility charge and passenger facility charge receipts	18,031	26,148
Net cash used in capital and related financing activities	(128,172)	(116,168)
Cash flows from investing activities:		
Interest received on investments	11,095	13,210
Purchase of restricted investments	(58,416)	(56,077)
Proceeds from maturity of restricted investments	58,361	56,678
Net cash provided by investing activities	11,040	13,811
Net increase in cash equivalents	42,474	79,604
Cash equivalents, beginning of year	454,874	375,270
Cash equivalents, end of year	$ 497,348	$ 454,874

(Continued)

The accompanying notes are an integral part of these financial statements.

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Cash Flows (continued)
For the years ended June 30, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 40,553	$ 66,044
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	113,983	114,921
Other	(3,027)	(5,189)
Net effects of changes in:		
Accounts receivable, net of capital grants	(4,257)	2,543
Prepaid expenses and other assets	119	(883)
Other receivables and assets	479	583
Accounts payable and accrued liabilities	(1,821)	(953)
Liability to City of Oakland	435	1,461
Unearned revenue	(1,209)	(1,522)
Deposits	194	(313)
Environmental and other liabilities	(3,970)	1,525
Net pension liability and related deferred outflow/inflow of resources	11,874	4,826
Net OPEB liability and related deferred outflow/inflow of resources	(5,405)	(4,025)
Net cash provided by operating activities	$ 147,948	$ 179,018
Non-cash capital and related financing activities:		
Net change in accounts payable for capital asset purchases	$ 5,826	$ (9,394)
Prior construction in progress reclassified to expense	-	1,032
Net change in retention on capital construction contracts	673	(3,019)
Net change in grants receivable	(2,349)	14,145
Abandoned construction in progress and other capital assets	(2,616)	10,927

(Concluded)

The accompanying notes are an integral part of these financial statements.

1. Organization

The Port of Oakland, California (Port) was established in 1927 by the City of Oakland (City) and is included as a component unit in the City's basic financial statements. The accompanying financial statements include the operations of the Oakland International Airport (Airport or OAK), the maritime facilities (Seaport) and commercial real estate holdings.

The Port is governed by a seven-member Board of Port Commissioners (Board) whose members are appointed by the City Council, upon nomination by the Mayor. The Board appoints an Executive Director to administer operations. The Port prepares and controls its own budget, administers and controls its fiscal activities, and is responsible for all Port construction and operations. The Port is required by the City Charter to deposit its revenues in the City Treasury. The City Treasurer is responsible for investing and managing such funds.

2. Significant Accounting Policies

Basis of Accounting

The Port's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are used to record environmental remediation liabilities, accounts receivable and grant receivable accruals, allowance for doubtful accounts, depreciation expense, net pension liability, pension benefit costs, net other postemployment benefits (OPEB) liability, OPEB benefit costs, and various expense allocations. Actual results could differ from those estimates.

Net Position

Net position represents the residual interest in the Port's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position consists of three sections: net investment in capital assets, restricted for construction, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources or deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. As of June 30, 2020, and 2019, the statements of net position reported $6,275 and $9,035 respectively, as restricted for construction.

Cash Equivalents

The Port considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Port's cash and investments in the City Treasury are, in substance, demand deposits and are considered cash equivalents.

Investments

The Port reports its investments at fair value in the accompanying financial statements and the corresponding change in fair value of investments is reported in the year in which the change occurs.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded for invoices issued to customers and granting agencies in accordance with contractual arrangements. Unbilled receivables are recognized as accrued accounts receivables and revenue when services are provided. The allowance for doubtful accounts is based on a tiered percentage of significantly aged receivables. Accounts receivable are written-off against the allowance when deemed uncollectible. Recoveries of receivables previously written-off are recorded as revenue when received.

Restricted Assets

Assets whose use is restricted to specific purposes by bond indenture or regulation are segregated on the statements of net position.

Capital Assets

Capital assets are stated at cost. It is the policy of the Port to capitalize all expenses related to capital assets greater than $5. Depreciation expense is calculated using the straight-line method over the following estimated useful lives of the assets:

Buildings and improvements	5 to 50 years
Container cranes	25 years
Infrastructure	10 to 50 years
Other equipment	3 to 40 years
Software	3 to 10 years

Tenant improvements paid for by the tenants and owned by the Port are recorded as capital assets with an offsetting credit to unearned revenue. The asset is amortized over the shorter of the life of the lease or the life of the asset and the unearned revenue is amortized over the same terms.

Intangible assets which are identifiable are recorded as capital assets. The Port has identified noise easements, air rights and computer software development costs as intangible assets. Intangible assets not having indefinite useful lives are amortized over the estimated useful life of the asset.

Other Receivables

Other receivables include future lease receipts from a fifty-year finance lease agreement associated with the sale and lease of the marina as discussed in Note 7.

Loss on Refunding

The loss on refunding at the time of a refunding is reported as deferred outflows of resources and is amortized as interest expense over the shorter of the remaining life of the refunded bonds or life of the new bonds.

Unearned Revenue

Unearned interest revenue and prepaid rent related to tenant leases are amortized principally on the straight-line method over the life of the remaining lease term.

Compensated Absences

The Port accrues employee benefits, including accumulated vacation and sick leave, as liabilities in the period the benefits are earned.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Port. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing activities. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the Port's policy to first utilize available restricted assets and then to utilize unrestricted assets.

Allocation of Expenses to the Port Businesses

The Port records to each of its revenue divisions (Aviation, Maritime, and Commercial Real Estate) expenses directly related to those operations. In addition, the Port annually allocates indirect expenses to these divisions based on an expense allocation methodology. Allocated expenses include general operating expenses, maintenance and engineering, marketing and public relations, and administration and general services.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Port's pension plan, and additions to/deductions from the Port's pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan's administrator, State of California's Public Employees' Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Port's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as reported by the plan's administrator, CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Grants from Government Agencies

Grants, for the most part, are restricted for the acquisition or construction of capital assets. Such grants are recorded as revenue when all eligibility requirements imposed by the provider have been met.

Passenger Facility Charges

The Port, as authorized by the Federal Aviation Administration (FAA) pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (the Act), as amended, currently imposes a Passenger Facility Charge (PFC) of $4.50 for each enplaning passenger at the Airport. Under the Act, air carriers are responsible for the collection of PFC and are required to remit PFC revenues to the Port in the following month after they are recorded by the air carrier. The Port has two approved and active applications with the FAA to collect and use PFC funds for specific purposes. The current authority to impose PFCs is estimated to end December 1, 2035.

PFC revenues, including any interest earned thereon, are restricted solely to finance allowable costs of new airport planning and development projects as defined and authorized by the FAA. PFC revenues may be used to pay debt service and related expenditures associated with FAA approved projects and the Port has received FAA approval to pay certain debt service if debt proceeds are used for qualifying projects. PFC revenues are recorded as non-operating revenue and any unspent PFC revenues are recorded as restricted cash equivalents.

Customer Facility Charges

Under Section 1936 of the California Civil Code, and pursuant to a Port ordinance effective January 2009, the rental car companies operating at the Airport are required to collect from the rental customers and remit to the Port a Customer Facility Charge (CFC). The current CFC is $10 per contract for companies operating on airport property and $8.00 for companies operating off airport property. The revenues from CFCs collected by the Port are funding the common use shuttle bus operations between the terminal and rental car facility and are eligible to fund common use rental car facility capital improvements. CFC revenues are recorded as non-operating revenue and expenses reimbursed with CFC funds are recorded as non-operating expense. Any unspent CFC revenues are recorded as restricted cash equivalents.

Effects of New Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). The statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes standards of accounting and financial reporting for certain asset retirement obligations. The statement establishes criteria for determining the timing and pattern of recognition for a liability and a corresponding deferred outflow of resources for asset retirement obligations. Implementation of this statement did not have a significant impact on the Port's financial statements for the fiscal year ended June 30, 2020.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), with an immediate effective date. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in the Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions are postponed by one year and the effective dates of GASB Statement No 87, *Leases* and Implementation Guide No. 2019-3, *Leases* are postponed by 18 months. Pronouncements relevant to the Port are summarized with updated effective dates in the following section.

New Accounting Pronouncements Not Yet Adopted

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB 84). The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exits. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2021.

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the Port's fiscal year ending June 30, 2022.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions regarding GASB statements that have already been implemented by the Port or will be implemented by the Port in the future. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2021.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2023.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and A supersession of GASB Statement No. 32* (GASB 97). The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2022.

Reclassification and Presentation

Certain reclassifications of prior year's balances have been made to conform with the current year presentation. The reclassifications have no effect on the total net position, change in net position or net changes in cash equivalents.

(dollar amounts in thousands)

3. Cash Equivalents, Investments, and Deposits

Cash Equivalents and Investments

Under the City Charter, all cash receipts from the operations of the Port are deposited in the City Investment Pool. These funds are managed and invested by the City, pursuant to the City's Investment Policy, that the City administers and reviews annually. For this reason, the Port does not maintain its own investment policy, and relies on the City Investment Policy to mitigate the risks described within this note.

Senior Lien Bonds reserves are on deposit with the Senior Lien Bonds trustee. The investment of funds held by the Senior Lien Bonds trustee is governed by the Senior Trust Indenture and is invested in either 1) U.S. Treasury Note, Federal Home Loan Bank Bond, or 2) Government Securities Money Market Mutual Funds. There were no investments pertaining to the Intermediate Lien Bonds.

On June 30, 2020, the Port had the following cash equivalents and investments:

	Unrestricted	Restricted	Total Fair Value	Credit Rating per Moody's	Maturity Less than 1 Year
City Investment Pool	$ 477,357	$ 3,877	$ 481,234	Unrated	$ 481,234 *
Government Securities Money Market Mutual Funds	-	16,114	16,114	Unrated	16,114 *
Total Cash Equivalents	477,357	19,991	497,348		497,348
U.S. Treasury Note	-	58,237	58,237	Aaa	58,237
Total Investments	-	58,237	58,237		58,237
Total Cash Equivalents and Investments	$ 477,357	$ 78,228	$ 555,585		$ 555,585

*Represents weighted average maturity

On June 30, 2019, the Port had the following cash equivalents and investments:

	Unrestricted	Restricted	Total Fair Value	Credit Rating per Moody's	Maturity Less than 1 Year
City Investment Pool	$ 448,988	$ 4,885	$ 453,873	Unrated	$ 453,873 *
Government Securities Money Market Mutual Funds	-	1,001	1,001	Unrated	1,001 *
Total Cash Equivalents	448,988	5,886	454,874		454,874
U.S. Treasury Note	-	58,361	58,361	Aaa	58,361
Total Investments	-	58,361	58,361		58,361
Total Cash Equivalents and Investments	$ 448,988	$ 64,247	$ 513,235		$ 513,235

*Represents weighted average maturity

(dollar amounts in thousands)

Fair Value Hierarchy

The Port categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of investments held by the Port as of June 30, 2020 and 2019:

Investments by Fair Value Level	2020	Investments Exempt from Fair Value Hierarchy	Fair Value Measurements Quoted Prices in Active Markets for Indentical Assets (Level 1)
U.S. Treasury Note	$ 58,237	$ -	$ 58,237
Government Securities Money Market Mutual Funds	16,114	16,114	-
City Investment Pool	481,234	481,234	-
Total Investments	$ 555,585	$ 497,348	$ 58,237

Investments by Fair Value Level	2019	Investments Exempt from Fair Value Hierarchy	Fair Value Measurements Using Significant Observable Inputs (Level 2)
Federal Home Loan Bank Bond	$ 58,361	$ -	$ 58,361
Government Securities Money Market Mutual Funds	1,001	1,001	-
City Investment Pool	453,873	453,873	-
Total Investments	$ 513,235	$ 454,874	$ 58,361

Investment securities classified in Level 1 of the fair value hierarchy consist of a U.S. Treasury Note, and were valued using quoted prices in active markets. Investment securities classified in Level 2 of the fair value hierarchy consist of a Federal Home Loan Bank Bond and were valued using various market and industry inputs. Investments exempt from fair value treatment consist of Government Securities Money Market Mutual Funds and the City Investment Pool. Government Securities Money Market Mutual Funds are valued at their net asset value, and the City Investment Pool is not subject to fair value measurement in the Port's Financial statements. However, the City Investment Pool's fair value disclosure is presented at the City-wide level in the City's basic financial statements.

Deposits in Escrow

Deposits in escrow consist of amounts received from construction contractors that are deposited into an escrow account in-lieu of retention withheld from construction progress billings. Interest on these deposits accrues to the contractor. As of June 30, 2020, and 2019, the Port had deposits in escrow of $179 and $0, respectively.

Investments Authorized by Debt Agreements

The following are the types of investments generally allowed under the Senior Trust Indenture and the Intermediate Trust Indenture (Intermediate Trust Indenture, together with the Senior Trust Indenture, are referred to as the Trust Indentures): U.S. Government Securities, U.S. Agency Obligations, obligations of any State in the U.S., prime commercial paper, FDIC insured deposits, certificates of deposit/banker's acceptances, money market mutual funds, long or medium-term corporate debt, repurchase agreements, state-sponsored investment pools, investment contracts, and forward delivery agreements.

Interest Rate Risk

This risk represents the possibility that an interest rate change could adversely affect an investment's fair value. Pursuant to the City Charter, all cash receipts from Port operations are deposited in the City Investment Pool. For this reason, the Port does not have a formal policy to manage interest rate risk.

In order to manage interest rate risk:

- Proceeds from bonds are invested in permitted investments, as stated in the Trust Indentures.
- The deposits held by the City Treasury are invested pursuant to the City's Investment Policy, which limits the terms of its investments and establishes minimum allowable credit ratings, as well as other controls. Also, Section 53601 of the State of California Government Code limits the maximum maturity of any investment to be no longer than 5 years unless authority for such investment is expressly granted in advance by the City Council or authorized by bond covenants.

Credit Risk

This risk represents the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligation. Pursuant to the City Charter, all cash receipts from Port operations are deposited in the City Investment Pool. For this reason, the Port does not have a formal policy to manage credit risk.

In order to manage credit risk:

- Provisions of the Trust Indentures prescribe restrictions on the types of permitted investments of the monies held by the trustee in the funds and accounts created under the Trust Indentures, including agreements or financial institutions that must meet certain ratings, such as certain investments that must be rated in either of the two highest ratings by S&P and Moody's.
- The deposits with the City Treasury are invested in short-term debt that is rated at least A-1 by S&P, P-1 by Moody's or F-1 by Fitch Ratings. Long-term debt shall be rated at least A by S&P, A2 by Moody's, and A by Fitch Ratings.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution or a counterparty to a transaction, the Port will not be able to recover the value of its investment or collateral securities that are in possession of another party.

To protect against custodial credit risk:

- All securities owned by the Port under the terms of the Trust Indentures are held in the name of the Port for safekeeping by a third party bank trust department, acting as an agent for the Port. The Port had investments held by a third party bank trust department in the amount of $74,351 and $59,362 at June 30, 2020 and 2019, respectively.
- All securities the Port has invested with the City are held in the name of the City for safekeeping by a third party bank trust department, acting as an agent for the City under the terms of the custody agreements. The Port had $481,234 and $453,873 invested in the City Investment Pool on June 30, 2020 and 2019, respectively.

As of June 30, 2020, the Port had deposits in escrow totaling $179, which were held in Union Bank, and all of which were insured or collateralized with securities held by pledging financial institution's trust department in the Port's name. As of June 30, 2019, the Port did not have any deposits in escrow.

Concentration of Credit Risk

The Trust Indentures place no limit on the amount the Port may invest in any one issuer.

Port revenues are deposited in the City Treasury. These and all City funds are pooled and invested in the City Investment Pool. The City has adopted an investment policy that provides for the following:

- The maximum maturity for any one investment may not exceed 5 years.
- No more than 5 percent of the total assets of the investments held by the City may be invested in the securities of any one issuer except:
  - obligations of the United States government;
  - United States federal agencies and government sponsored enterprises;
  - reverse repurchase agreements;
  - deposits – private placement;
  - certificates of deposit;
  - local government investment pools;
  - money market investment funds; and
  - supranational organizations.
- Permitted investments include U.S. treasury securities, federal agency and instrumentalities, banker's acceptances, commercial paper, asset-backed commercial paper, local government investment pools, medium-term notes, negotiable certificates of deposit, repurchase agreements, reverse repurchase agreements, secured obligations and agreements, dollar-denominated obligations issued by supranational organizations, certificates of deposit, money market mutual funds, state investment pool (Local Agency Investment Fund), local city/agency bonds and state obligations.

Additional information regarding deposit custodial credit, interest and credit risks, and securities lending transactions of the City Investment Pool is presented in the notes of the City's basic financial statements. Requests for financial information should be addressed to Finance Department, Administration, City of Oakland, 150 Frank H. Ogawa Plaza, Suite 5215, Oakland, California 94612.

(dollar amounts in thousands)

4. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2020, is as follows:

	Beginning Balance July 1, 2019	Additions	Adjustments and Retirements	Transfers	Ending Balance June 30, 2020
Capital assets not being depreciated					
Land	$ 523,400	$ -	$ -	$ 787	$ 524,187
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	18,661	49,686	(2,609)	(13,084)	52,654
Total capital assets not being depreciated	567,914	49,686	(2,609)	(12,297)	602,694
Capital assets being depreciated					
Buildings and improvements	990,898	-	(1)	403	991,300
Container cranes	159,197	-	-	-	159,197
Infrastructure	2,135,918	-	-	11,166	2,147,084
Software	13,844	-	-	-	13,844
Other equipment	120,917	3,929	(6)	728	125,568
Total capital assets being depreciated	3,420,774	3,929	(7)	12,297	3,436,993
Less accumulated depreciation for					
Buildings and improvements	(641,115)	(21,903)	-	-	(663,018)
Container cranes	(114,630)	(5,904)	-	-	(120,534)
Infrastructure	(1,072,195)	(78,916)	-	-	(1,151,111)
Software	(11,048)	(1,396)	-	-	(12,444)
Other equipment	(77,426)	(5,864)	-	-	(83,290)
Total accumulated depreciation	(1,916,414)	(113,983)	-	-	(2,030,397)
Total being depreciated, net	1,504,360	(110,054)	(7)	12,297	1,406,596
Total capital assets, net	$ 2,072,274	$ (60,368)	$ (2,616)	$ -	$ 2,009,290

For the year ended June 30, 2020, the Port recognized a $2,616 loss on abandoned projects related to construction in progress.

(dollar amounts in thousands)

Changes in Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2019, is as follows:

	Beginning Balance July 1, 2018	Additions	Adjustments and Retirements	Transfers	Ending Balance June 30, 2019
Capital assets not being depreciated					
Land	$ 523,382	$ -	$ -	$ 18	$ 523,400
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	41,451	33,068	(12,009)	(43,849)	18,661
Total capital assets not being depreciated	590,686	33,068	(12,009)	(43,831)	567,914
Capital assets being depreciated					
Buildings and improvements	986,181	80	-	4,637	990,898
Container cranes	155,697	-	-	3,500	159,197
Infrastructure	2,117,468	-	(29)	18,479	2,135,918
Software	13,844	-	-	-	13,844
Other equipment	103,537	1,515	(1,350)	17,215	120,917
Total capital assets being depreciated	3,376,727	1,595	(1,379)	43,831	3,420,774
Less accumulated depreciation for					
Buildings and improvements	(617,417)	(23,698)	-	-	(641,115)
Container cranes	(108,719)	(5,911)	-	-	(114,630)
Infrastructure	(993,435)	(78,760)	-	-	(1,072,195)
Software	(9,643)	(1,405)	-	-	(11,048)
Other equipment	(73,629)	(5,147)	1,350	-	(77,426)
Total accumulated depreciation	(1,802,843)	(114,921)	1,350	-	(1,916,414)
Total being depreciated, net	1,573,884	(113,326)	(29)	43,831	1,504,360
Total capital assets, net	$ 2,164,570	$ (80,258)	$ (12,038)	$ -	$ 2,072,274

For the year ended June 30, 2019, the Port recognized a loss on the disposal of capital assets of $10,864, consisting of $10,927 of abandoned construction in progress and disposed infrastructure, which was offset by $63 of proceeds from the sale of fully depreciated equipment. Additionally, the Port reclassified $1,111 of prior construction in progress costs to other expense.

(dollar amounts in thousands)

5. Debt

Long-term debt consists of the following on June 30, 2020:

	Interest Rate	Fiscal Maturity Year	Original Amount	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Principal Due Within One Year
Senior Lien Bonds								
2011 Revenue Bonds Series O	4.20-5.125%	2031	$ 345,730	$ 259,465	$ -	$ 16,370	$ 243,095	$ 17,185
2012 Revenue Bonds Series P	3.00-5.00	2033	380,315	363,070	-	-	363,070	18,265
Total Senior Lien Bonds			726,045	622,535	-	16,370	606,165	35,450
Dept. of Boating and Waterways (DBW) Loan								
Small Craft Harbor Revenue Bonds, Series 1993	4.50	2030	7,176	3,903	-	282	3,621	295
Intermediate Lien Bonds								
2017 Revenue Bonds Series D	5.00	2030	95,875	95,875	-	350	95,525	5,345
2017 Revenue Bonds Series E	5.00	2030	88,985	71,460	-	21,600	49,860	11,380
2017 Revenue Bonds Series F	5.00	2020	30,735	13,355	-	13,355	-	-
2017 Revenue Bonds Series G	2.05-3.30	2030	38,355	37,565	-	1,040	36,525	2,595
Total Intermediate Lien Bonds			253,950	218,255	-	36,345	181,910	19,320
Commercial Paper[(1)]								
Series A, B, C Notes	.22-2.47	2020	N/A	40,400	14,516	20,400	34,516	-
Series D, E, F Notes	.46-1.39	2020	N/A	44,075	-	3,000	41,075	-
Total Commercial Paper				84,475	14,516	23,400	75,591	-
Sub-Total				929,168	14,516	76,397	867,287	55,065
Unamortized bond premium (discount), net				48,486	(9)	8,200	40,277	7,348
Total Debt				977,654	14,507	84,597	907,564	$ 62,413
Current maturities of long-term debt				(61,216)	(62,413)	(61,216)	(62,413)	
Total Debt - long-term portion				$ 916,438	$ (47,906)	$ 23,381	$ 845,151	

[(1)] As of June 30, 2020, under the current LOCs, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

(dollar amounts in thousands)

Debt (Continued)

Long-term debt consists of the following on June 30, 2019:

	Interest Rate	Fiscal Maturity Year	Original Amount	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Principal Due Within One Year
Senior Lien Bonds								
2011 Revenue Bonds Series O	4.20-5.125%	2031	$ 345,730	$ 274,030	$ -	$ 14,565	$ 259,465	$ 16,370
2012 Revenue Bonds Series P	3.00-5.00	2033	380,315	363,715	-	645	363,070	-
Total Senior Lien Bonds			726,045	637,745	-	15,210	622,535	16,370
Dept. of Boating and Waterways (DBW) Loan								
Small Craft Harbor Revenue Bonds, Series 1993	4.50	2030	7,176	4,173	-	270	3,903	282
Intermediate Lien Bonds								
2017 Revenue Bonds Series D	5.00	2030	95,875	95,875	-	-	95,875	350
2017 Revenue Bonds Series E	3.00-5.00	2030	88,985	88,985	-	17,525	71,460	21,600
2017 Revenue Bonds Series F	5.00	2020	30,735	30,735	-	17,380	13,355	13,355
2017 Revenue Bonds Series G	1.85-3.30	2030	38,355	38,355	-	790	37,565	1,040
Total Intermediate Lien Bonds			253,950	253,950	-	35,695	218,255	36,345
Commercial Paper[(1)]								
Series A, B, C Notes	1.20-2.58	2019	N/A	59,955	-	19,555	40,400	-
Series D, E, F Notes	1.39-2.00	2019	N/A	45,415	-	1,340	44,075	-
Total Commercial Paper				105,370	-	20,895	84,475	-
Sub-Total				1,001,238	-	72,070	929,168	52,997
Unamortized bond premium (discount), net				57,960	(93)	9,381	48,486	8,219
Total Debt				1,059,198	(93)	81,451	977,654	$ 61,216
Current maturities of long-term debt				(60,027)	(61,216)	(60,027)	(61,216)	
Total Debt - long-term portion				$ 999,171	$ (61,309)	$ 21,424	$ 916,438	

[(1)] As of June 30, 2019, under the current LOCs, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

(dollar amounts in thousands)

Debt Service

The Port's long-term debt and final maturity is identified in the schedules at the beginning of Note 5 and consists of tax-exempt bonds, short-term commercial paper notes and a loan from the California Department of Boating and Waterways. All of the Port's outstanding bonds, loans and commercial paper notes have been issued to finance or refinance capital improvements to the Port's aviation, maritime and commercial real estate infrastructure. The majority of the Port's outstanding bonds are revenue bonds, which are secured by Pledged Revenues of the Port. Pledged Revenues are substantially all revenues and other cash receipts of the Port, including, without limitation, amounts held in the Port Revenue Fund with the City, but excluding amounts received from certain taxes, certain insurance proceeds, special facilities revenues, and certain other gifts, fees, and grants that are restricted by their terms to purposes inconsistent with the payment of debt service. Pledged revenues amounted to $386,691 in fiscal year 2020 and $410,138 in fiscal year 2019.

Pledged Revenues do not include cash received from PFCs or CFCs unless projects included in a financing are determined to be PFC or CFC eligible and bond proceeds are expended on such eligible projects and the Port elects to pledge PFCs or CFCs as supplemental security to such applicable bonds. Currently, the Port has no bonds for which PFCs or CFCs are pledged.

The Port's required debt service payments on its Senior Lien Bonds and Intermediate Lien Bonds are due each May 1 and November 1 through May 1, 2033. The California Department of Boating and Waterways loan is due each August 1 through August 1, 2029. Commercial Paper has been classified as long-term debt because the Port has the intent and ability to continue to refinance this debt. The Port's required debt service payment for the outstanding long-term debt for the years ending June 30 are as follows:

Fiscal Year Ending	Long-term Obligations		Commerical Paper[1]		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 55,065	$ 38,036	$ -	$ -	$ 55,065	$ 38,036
2022	57,543	35,619	-	-	57,543	35,619
2023	60,412	32,756	-	-	60,412	32,756
2024	63,591	29,570	25,197	4,850	88,788	34,420
2025	66,676	26,491	25,197	3,024	91,873	29,515
2026-2030	285,626	72,625	25,197	1,008	310,823	73,633
2031-2033	202,783	20,274	-	-	202,783	20,274
Total	$ 791,696	$ 255,371	$ 75,591	$ 8,882	$ 867,287	$ 264,253

(1) For purposes of this schedule, Commercial Paper debt is amortized over three fiscal years, pursuant to the "Term Loan" provisions of the Commercial Paper Reimbursement Agreements, beginning when the current letters of credit expire on June 30, 2023. For the first 90 days interest is calculated using the higher of 1) BANA prime rate plus 1%, 2) Federal Funds rate plus 2%, or 3) 7.0%. Thereafter, the interest rate specified above is increased by 1.0%.

Types of Debt and Priority of Payment

Senior Lien Bonds

2011 Series O and 2012 Series P (collectively, the Senior Lien Bonds) were issued under the Senior Trust Indenture and are paid from Pledged Revenues first. As long as any Senior Lien Bonds remain outstanding, the Port has covenanted to collect rates, tolls, fees, rentals and charges so that Pledged Revenues in each fiscal year will be sufficient to pay all of the following amounts: (i) the sum of principal and interest on the outstanding Senior Lien Bonds; (ii) all other payments required for compliance with terms of the Senior Trust Indenture including, but not limited to, required deposits to any Reserve Fund; (iii) all other payments necessary to meet ongoing legal obligations to be paid from Pledged Revenues; and (iv) operation and maintenance expenses of the Port. In addition, payment of principal and interest on the Senior Lien Bonds when due is secured by a reserve fund held by the trustee as of June 30, 2020 and as of June 30, 2019 the reserve fund was invested in U.S. Treasury Notes.

The Port has also covenanted in the Senior Trust Indenture that Net Pledged Revenue (Revenues less the Operation and Maintenance Expenses) will be equal to at least 125% of actual debt service for the Senior Lien Bonds (Senior Lien Debt Service Coverage Ratio).

Events of default under the Senior Lien Trust Indenture include, but are not limited to, a failure to pay principal or interest, or a failure to pay the purchase price of a bond when due upon an optional or mandatory tender date. Port bankruptcy, reorganization, receivership, etc., are also considered default events, as is the failure to observe any covenant, provision or condition of the Senior Lien Indenture or the Bonds, which continues for a period of 60 days after notice. Finally, pursuant to supplemental indentures the Port will comply with the covenants of the tax certificates of the different bond series issued under the Senior Lien Trust Indenture. Remedies to any default under the Senior Lien Indenture or its supplements can include acceleration of outstanding senior lien debt.

As of June 30, 2020, the outstanding balance of Senior Lien Bonds is $606,165.

California Department of Boating and Waterways (DBW) Loan

The DBW Loan is subordinate to the Senior Lien Bonds but superior to the Intermediate Lien Bonds and the Port's Commercial Paper Notes with respect to the Pledged Revenues. The Port turned over the operation of its marina, financed, in part, with DBW Loans, to a private company through a fifty-year capital lease in May 2004.

In the event the Port fails in whole or in part to make payment when due pursuant to the loan agreement between the Port and the DBW, all principal and interest outstanding shall become immediately due and payable.

As of June 30, 2020, one DBW Loan remains outstanding with a balance of $3,621.

Intermediate Lien Bonds

Bonds issued under the Intermediate Trust Indenture are next in payment priority. As of June 30, 2020, the bonds issued under this indenture consist of the 2017 Series D, Series E, and Series G Bonds (Series 2017 Bonds). The final maturity of the 2017 Series F Bonds was paid in November 2019. The Intermediate Lien Bonds are paid from the Intermediate Lien Pledged Revenues. The Intermediate Lien Pledged Revenues are the Pledged Revenues after payment first, of all amounts payable for any Senior Lien Bonds and second, any debt service requirements payable on the DBW Loan. Payment of principal and interest on the Series 2017 Bonds when due is secured by a reserve surety policy.

The Port covenanted in the Intermediate Trust Indenture that Net Pledged Revenues will be equal to at least 110% of the actual debt service becoming due and payable on the combined Intermediate Lien Bonds, Senior Lien Bonds, and DBW Loan (Intermediate Lien Debt Service Coverage Ratio).

Events of default under the Intermediate Lien Trust Indenture include, but are not limited to, a failure to pay principal or interest, or a failure to pay the purchase price of a bond when due upon an optional or mandatory tender date. Port bankruptcy, reorganization, etc., are also considered default events, as is the failure to observe any covenant, provision or condition of the Intermediate Lien Indenture or the Bonds, which continues for a period of 180 days after notice. Finally, pursuant to supplemental indentures the Port will comply with the covenants of the tax certificates of the different bond series issued under the Intermediate Lien Trust Indenture. The Port will also ensure that the tax-exempt status of the bonds is maintained. Remedies to any default under the Intermediate Lien Indenture or its supplements can include bringing suit upon the Intermediate Lien Bonds, or some other legal action to enforce the rights of bondholders.

As of June 30, 2020, the outstanding balance of Intermediate Lien Bonds is $181,910.

Commercial Paper Notes

Commercial Paper Notes (CP Notes) have the lowest payment priority. The Board authorized a $150,000 Commercial Paper program in 1998 and a further $150,000 was authorized in 1999. The maximum maturity of the CP Notes is 270 days and the maximum interest rate is 12%. The Port has classified the CP Notes as long-term debt as the Port intends and has the ability to reissue CP Notes until the expiration of the two irrevocable Letters of Credit (LOC), discussed below. Interest income paid to the holders of the CP Notes may fall under one of three tax treatments: tax-exempt Alternative Minimum Tax (AMT), tax-exempt non-AMT and taxable.

The Port covenants in both of its LOC and Reimbursement Agreements with BANA that the Intermediate Lien Debt Service Coverage Ratio will equal to at least 110%.

Commercial Paper Notes (continued)

On May 10, 2019, the Port extended the LOCs supporting its ABC Series and DEF Series of commercial paper notes, both issued by Bank of America National Association (BANA). Specifically, the expiration dates of both LOCs were extended from June 30, 2019 to June 30, 2023. The BANA LOC supporting the DEF Series of commercial paper notes amounts to $54,438 ($50,000 principal and interest of $4,438) and was originally issued on June 13, 2017, when the Port substituted its then-outstanding JPMorgan Chase Bank National Association (JPMorgan) LOC. The BANA LOC supporting the ABC Series of commercial paper notes amounts to $163,315 ($150,000 principal and interest of $13,315) and was originally issued on June 13, 2016, when the Port substituted its then-outstanding Wells Fargo LOC.

As of June 30, 2020, the outstanding balance of CP Notes under the Port's ABC Series of CP is $34,516 while the outstanding balance under the Port's DEF Series of CP is $41,075.

The reimbursement agreements between the Port and BANA, which describe the terms and conditions under which BANA issues the commercial LOCs supporting the Port's CP Notes, contain a number of default provisions and remedies. Events of default include the failure to reimburse draws, advances or term loans issued under the LOCs, or to pay LOC related fees to BANA when due. Breaches of any of the covenants, conditions or agreements in the reimbursement agreements and other CP related documents are also considered defaults, as are breaches of the covenants contained in the Senior Lien Indenture or Intermediate Lien Indenture. The reimbursement agreements also contain default provisions for bankruptcy, failure to make payments on other Port debt, the acceleration of other Port debt, legal/administrative changes affecting the Port's ability to pay its debts or comply with its agreements, and material unsatisfied legal judgments.

Any of the above defaults can trigger the immediate acceleration of LOC related fees to BANA, the reduction of the LOC stated amounts, and/or suspensions of the Port's ability to issue new CP Notes or make draws under the existing LOCs. Any accelerations or payment failures on other Port debt, failures to pay CP related obligations, bankruptcy or limits to the Port's authority may also trigger a further remedy whereby advances and/or term loans under the LOCs would become immediately due and payable.

(dollar amounts in thousands)

Priority of Payment

The following are the priority of payment tables:

	Maturity Date	Total Debt Service to Maturity	FY 2020 Debt Principal and Interest	FY 2020 Net Pledged Revenues**
Total Net Pledged Revenues				$ 165,302
Senior Lien Bonds:				
2011 Revenue Bonds Series O	5/1/2031	$ 322,397	$ 29,403	
2012 Revenue Bonds Series P	5/1/2033	494,801	17,782	
Subtotal Senior Lien Bonds		817,198	47,185	(47,185)
Net Pledged Revenues Remaining after Sr. Lien				118,117
Dept. of Boating and Waterways Loan	8/1/2029	4,576	457	(457)
Net Pledged Revenues Remaining after DBW				117,660
Intermediate Lien Bonds:				
2017 Series D	11/1/2029	120,835	5,135	
2017 Series E	11/1/2029	62,305	24,592	
2017 Series F	11/1/2019	-	13,689	
2017 Series G	11/1/2029	42,153	2,102	
Subtotal Intermediate Lien Bonds		225,293	45,518	(45,518)
Net Pledged Revenues Remaining after Int. Lien				72,142
Commercial Paper Notes*		84,473	24,329	(24,329)
Net Pledged Revenues Remaining after CP Notes				$ 47,813
Total		$ 1,131,540	$ 117,489	

* The Total Debt Service to Maturity for Commercial Paper includes principal ($75.6 million) and interest ($8.9 million) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements. Of the $75.6 million of Commercial Paper Notes outstanding, $20.0 million are eligible to be paid from Passenger Facility Charges.

** Net Pledged Revenues are Revenues less Operation and Maintenance Expenses plus Interest Earned (not including interest earned on PFC and CFC funds of $193 and $55, respectively). Of the $24.3 million recorded for commercial paper debt service, $16.8 million was paid from PFCs, not included in "Total Net Pledged Revenues" above.

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(dollar amounts in thousands)

Priority of Payment (continued)

	Maturity Date	Total Debt Service to Maturity	FY 2019 Debt Principal and Interest	FY 2019 Net Pledged Revenues**
Total Net Pledged Revenues				$ 194,104
Senior Lien Bonds:				
2011 Revenue Bonds Series O	5/1/2031	$ 351,800	$ 28,325	
2012 Revenue Bonds Series P	5/1/2033	512,583	17,808	
Subtotal Senior Lien Bonds		864,383	46,133	(46,133)
Net Pledged Revenues Remaining after Sr. Lien				147,971
Dept. of Boating and Waterways Loan	8/1/2029	5,033	457	(457)
Net Pledged Revenues Remaining after DBW				147,514
Intermediate Lien Bonds:				
2017 Series D	11/1/2029	125,970	4,794	
2017 Series E	11/1/2029	86,897	21,454	
2017 Series F	11/1/2019	13,689	18,482	
2017 Series G	11/1/2029	44,255	1,868	
Subtotal Intermediate Lien Bonds		270,811	46,598	(46,598)
Net Pledged Revenues Remaining after Int. Lien				100,916
Commercial Paper Notes*		84,473	22,564	(22,564)
Net Pledged Revenues Remaining after CP Notes				$ 78,352
Total		$ 1,224,700	$ 115,752	

** The Total Debt Service to Maturity for Commercial Paper includes principal ($84.5 million) and interest ($9.9 million) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements. Of the $84.5 million of Commercial Paper Notes outstanding, $36.4 million are eligible to be paid from Passenger Facility Charges.

** Net Pledged Revenues are Revenues less Operation and Maintenance Expenses plus Interest Earned (not including interest earned on PFC and CFC funds of $146 and $79, respectively).Of the $22.6 million recorded for commercial paper debt service, $15.5 million was paid from PFCs, not included in the "Total Net Pledged Revenues" above.

(dollar amounts in thousands)

Bond Premium (Discount)

The Port amortizes the original issue discount or premium over the life of each bond issue. The unamortized amount for each Port issue is as follows:

Bond Issue	2020 (Discount) Premium	2019 (Discount) Premium
Senior Lien Bonds:		
2011 Series O	$ 235	$ 655
2012 Series P	21,710	25,220
Subtotal Senior Lien Bonds	21,945	25,875
Intermediate Lien Bonds:		
2017 Series D	12,016	14,456
2017 Series E	6,322	7,989
2017 Series F	-	171
Subtotal Intermediate Lien Bonds	18,338	22,616
Commercial Paper	(6)	(5)
Total	$ 40,277	$ 48,486

6. Environmental and Other Liabilities

Changes in environmental and other liabilities for the years ended June 30, 2020 and 2019 are as follows:

	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts Due Within One Year
Accrued vacation, sick leave and compensatory time	$ 7,526	$ 1,868	$ (1,477)	$ 7,917	$ 6,326
Pollution liability (Note 13)	17,078	9,253	(10,086)	16,245	1,389
Workers' compensation (Note 14)	13,184	-	(4,322)	8,862	1,264
Lease terminal loss contingency (Note 13)	16,800	-	(199)	16,601	1,425
Other long-term liabilities	4,049	1,321	(328)	5,042	-
Total	$ 58,637	$ 12,442	$ (16,412)	$ 54,667	$ 10,404

	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Amounts Due Within One Year
Accrued vacation, sick leave and compensatory time	$ 6,999	$ 1,976	$ (1,449)	$ 7,526	$ 6,311
Pollution liability (Note 13)	17,754	4,422	(5,098)	17,078	1,640
Workers' compensation (Note 14)	10,661	4,527	(2,004)	13,184	2,004
Lease terminal loss contingency (Note 13)	17,997	-	(1,197)	16,800	3,300
Other long-term liabilities	3,701	832	(484)	4,049	-
Total	$ 57,112	$ 11,757	$ (10,232)	$ 58,637	$ 13,255

(dollar amounts in thousands)

7. Leases

A major portion of the Port's capital assets are leased to others. Leased assets include maritime facilities, aviation facilities, office and commercial space, and land. The majority of the Port's leases are classified as operating leases. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity. Certain maritime facilities are leased under agreements that provide the tenants with preferential, but nonexclusive, use of the facilities.

A summary of revenues from long-term leases for years ended June 30 is as follows:

	2020	2019
Minimum non-cancelable rentals, including preferential assignments	$ 167,199	$ 163,993
Contingent rentals in excess of minimums	38,323	41,233
	$ 205,522	$ 205,226

Minimum future rental revenues for years ending June 30 under non-cancelable operating leases having an initial term in excess of one year are as follows:

2021	$ 165,910
2022	173,314
2023	168,321
2024	169,201
2025	169,366
2026-2030	648,844
2031-2035	300,628
2036-2040	101,214
2041-2045	51,752
2046-2050	56,811
2051-2055	65,753
Thereafter	502,754
	$ 2,573,868

(dollar amounts in thousands)

Leases (continued)

The Port turned over the operation of its marina to a private company through a long-term financing lease and operating agreement on May 1, 2004. Minimum future lease payments to be received for the years ending June 30 are as follows:

2021	$ 559
2022	559
2023	573
2024	587
2025	587
2026-2030	2,936
2031-2035	2,936
2036-2040	2,936
2041-2045	2,936
2046-2050	2,936
2051-2055	2,839
	$ 20,384

The capital assets leased to others at June 30 consist of the following:

	2020	2019
Land	$ 296,872	$ 296,833
Container cranes	159,197	159,197
Buildings and improvements	194,477	195,549
Infrastructure	1,006,389	1,007,035
	1,656,935	1,658,614
Less accumulated depreciation	(857,507)	(815,671)
Net capital assets, on lease	$ 799,428	$ 842,943

(dollar amounts in thousands)

8. Unearned Revenue

Unearned revenue consists primarily a long-term financing lease for the marina operations; redemption of special facilities bonds; prepayment of bond debt service for airline fuel facility and prepaid tenant rent.

Changes in unearned revenue for the years ended June 30, 2020 and 2019 are as follows

	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts Due Within One Year
Marina capital lease unearned interest	$ 17,534	$ -	$ (503)	$ 17,031	$ 503
Oakland Fuel Facilities Corporation	6,686	150	(580)	6,256	580
Unearned tenant rent	7,812	6,429	(6,630)	7,611	6,645
Other unearned revenue	650	-	(75)	575	74
Total	$ 32,682	$ 6,579	$ (7,788)	$ 31,473	$ 7,802

	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Amounts Due Within One Year
Marina capital lease unearned interest revenue	$ 18,037	$ -	$ (503)	$ 17,534	$ 503
Oakland Fuel Facilities Corporation	7,116	150	(580)	6,686	580
Unearned tenant rent	8,326	6,414	(6,928)	7,812	6,630
Other unearned revenue	725	-	(75)	650	75
Total	$ 34,204	$ 6,564	$ (8,086)	$ 32,682	$ 7,788

(dollar amounts in thousands)

9. Retirement Plans

CalPERS Miscellaneous Unit

Plan Description

All full-time and certain other qualifying employees of the Port are eligible to participate as members of the City of Oakland's Miscellaneous Unit of CalPERS (Miscellaneous Plan). The Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. Benefit provisions and all other requirements are established by State statute and City ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the annual financial report are available on the CALPERS website at www.CalPERS.ca.gov under Forms and Publications or may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

A separate report for the City's Miscellaneous Plan within CalPERS is not available. As a department of the City, the Port shares benefit costs with the City. The Port presents the related defined benefit disclosures as a participant in a cost-sharing plan arrangement with the City.

Benefits Provided

The Miscellaneous Plan provides service retirement, disability retirement, and death benefits based on the employee's years of service, age at retirement and final compensation. An employee becomes eligible for service retirement upon retirement age and with at least 5 years of CalPERS credited service. Final compensation is the monthly average of the employee's highest one-year or three-year consecutive months' full-time equivalent salary. The service retirement benefit is a monthly allowance for life equal to the product of the benefit factor, years of service and final compensation. The benefit factor varies based on the employee's date of hire and age at retirement.

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2020 and 2019, are summarized as follows:

	Hire date		
	Prior to 6/9/2012	**6/9/2012 through 12/31/12**	**Employee hired On or After 1/1/2013[1]**
Benefit formula	2.7% @ 55	2.5% @ 55	2.0% @ 62
Retirement age	50-55	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0%-2.7%	2.0%-2.5%	1.0%-2.5%
Required employee contribution rates	8.00%	8.00%	7.25%-8.00%
Required employer contribution rates 2020[2]	11.559%	11.559%	10.809-11.559%
Required employer contribution rates 2019[2]	11.302%	11.302%	10.052-11.302%

(1) For "new members" as defined by the Public Employees' Pension Reform Act (PEPRA)
(2) Excludes contribution payments for unfunded liability

Benefits Provided (continued)

Cost-of-living adjustments are paid the second calendar year of retirement and every year thereafter up to a maximum of 2% per year.

All members are eligible to apply for a disability retirement benefit, regardless of age, when they have five or more years of credited service and they sustain an injury or illness that prevents them from performing their duties.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total Miscellaneous Plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. The City and the Port are required to contribute the difference between the actuarially determined rate and the contribution rate of employees. During the years ended June 30, 2020 and 2019, the Port paid contributions to the Miscellaneous Plan of $24,588 and $21,832, respectively

CalPERS Safety Unit – Special Agreement with the City of Oakland

During the period from July 1, 1976, through January 17, 1998 (employment period), the Port appointed certain employees to positions in the classifications of Airport Servicemen and Airport Operations Supervisors. The Port was and has always been the employer that directly appointed, retained, employed and compensated the personnel in these positions.

As result of a decision by CalPERS' Board of Administration on April 15, 1998, employees appointed to positions in the classifications of Airport Servicemen and Airport Operations Supervisors were reclassified from the Miscellaneous Unit member status in CalPERS to Safety Unit member status, effective retroactively to the later of either the date of their respective employment in such classifications or July 1, 1976.

The decision to reclassify employees to safety member status resulted in an additional net cost to provide retirement benefits earned during the employment period. CalPERS' actuary estimated that the present value of this net cost (including subsequent actual experience through June 30, 2000, and projected experience through June 30, 2002) was $5,915.

The Port entered into an agreement with the City for the payment of this net cost by the Port directly to CalPERS. The agreement provides for the Port to make payments over 20 years in annual installments, with interest at 4.34% and adjusted for cost of living at a rate of 3.75%. Under this agreement the Port's obligation will not fluctuate based on the recognition of market gains or losses, changes in the actuarial assumptions, or experiences that differ from the actuary projections. The Port's obligation will remain fixed until paid in full.

For the years ended June 30, 2020 and 2019, the Port recognized principal payments of $598 and $525, respectively, for the Safety Unit obligation.

(dollar amounts in thousands)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For fiscal years ended June 30, 2020 and 2019, the Port reported total net pension liability as follows:

	2020	2019
City's Miscellaneous plan - proportion share	$ 215,522	$ 203,202
Safety plan - remaining obligation	2,311	2,910
Total net pension liability	$ 217,833	$ 206,112

The City's Miscellaneous Plan's net pension liability was measured as of the measurement date listed in the table below for the respective fiscal year. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the valuation date listed in the table below and rolled forward to the measurement date using standard update procedures. The Port's proportionate share of the City's Miscellaneous Plan is based on a three year average of the Port's employer contributions divided by the total employer contributions for the most recent respective measurement period.

	2020	2019
Measurement date	6/30/2019	6/30/2018
Valuation date	6/30/2018	6/30/2017
Measurement period	7/1/18-6/30/19	7/1/16-6/30/18
Proportionate share	23.84%	24.20%

For the years ended June 30, 2020 and 2019, the Port recognized pension expense including amortization of deferred outflows/inflows related pension items of $37,060 and $26,658, respectively. At June 30, 2020 and 2019, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ -	$ 1,519	$ 10,539	$ 3,085
Net difference between projected and actual earnings on pension plan investments	-	2,688	1,198	-
Change in proportionate share	-	3,513	-	3,113
Net differences between expected and actual experience	8,662	1,050	-	2,740
Pension contributions subsequent to the measurement date	24,588	-	21,832	-
	$ 33,250	$ 8,770	$ 33,569	$ 8,938

The pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent measurement year.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows/inflows of resources, will be amortized annually and recognized as an increase or (reduction) to pension expense, for the years ending June 30 as follows (in thousands):

2020	$	897
2021		(629)
2022		(797)
2023		421
	$	(108)

Actuarial Methods and Assumptions

For the years ended June 30, 2020 and 2019, the pension liability was determined by rolling forward the total pension liability from the valuation date to the measurement date. The total pension liabilities were based on the following actuarial methods and assumptions for each measurement date:

	2020	**2019**
Measurement date	6/30/2019	6/302018
Valuation date	6/30/2018	6/30/2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.50%
Payroll Growth	3.00%	2.75-3.00%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.25% net of pension plan investments expenses; includes inflation	7.15% net of pension plan investments expenses; includes inflation
Mortality Rate Table	Based on the 2017 CalPERS Experience Study from 1997 to 2015[1]	Based on the 2017 CalPERS Experience Study from 1997 to 2015[1]
Postretirement Benefit Increase	Contract cost of living adjustment up to 2.0% until the lessor of contract cost of living adjustment or 2.5% until Purchasing Power Allowance Floor on Purchasing Power applies.	Contract cost of living adjustment up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

[1] The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% of Scale MP 2016.

Actuarial Methods and Assumptions (continued)

All other actuarial assumptions used in the June 30, 2018 valuations were based on the results of an actuarial experience study for the period from 1997 to 2015 including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website at www.calpers.ca.gov under Form and Publications.

Discount Rate

The discount rates used to measure the total pension liability as of June 30, 2020 and 2019 was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, CalPERS determined that the discount rates of 7.15% were appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of the benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

(dollar amounts in thousands)

Discount Rate (continued)

The table below reflects long-term expected real rate of return, by asset class, used for the June 30, 2018 and 2017 valuations.

Asset Class [1]	Target Allocation	Real Return Years 1-10[2]	Real Return Years 11+[3]
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
Total	100.0%		

[1] In CalPERS' CAFR, Fixed Income is included in the Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.00% used for this period.
[3] An expected inflation of 2.92% used for this period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Port's proportionate share of the net pension liability as of the June 30, 2019 and 2018 measurement dates calculated using the current discount rate, as well as what the Port's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

As of June 30, 2019 (measurement date)	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Port's proportionate share of the City's Miscellaneous plan net pension liability	$298,707	$215,522	$146,118

As of June 30, 2018 (measurement date)	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Port's proportionate share of the City's Miscellaneous plan net pension liability	$283,933	$203,202	$135,875

(dollar amounts in thousands)

10. Other Postemployment Benefits

Plan Description

The Port has established a Retiree Healthcare Plan and participates in the California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code Section 115 trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and Other Postemployment Benefits (OPEB) costs.

The Port's Retiree Healthcare Plan allows eligible retirees and their dependents to receive employer paid medical insurance benefits through CalPERS, subject to certain limitations described below. Additionally, through the Port's Retiree Health Plan, employees hired before October 1, 2009 (before January 1, 2013 for members of the Services Employees International Union (SEIU) and International Brotherhood of Electrical Workers (IBEW)) are eligible to receive dental and vision benefits.

Prior to 2011, eligible retirees must have attained the age of fifty or over at the time of retirement, have five or more years of CalPERS service, and must be eligible to receive PERS retirement benefits. On July 21, 2011, the Port adopted resolutions that established a Health Benefit Vesting Requirement for employees hired on or after September 1, 2011 (on or after April 1, 2013 for members of SEIU and IBEW). The vesting schedule does not apply to employees that are granted a disability retirement.

Under the adopted vesting schedule, the Port shall pay a percentage of retiree medical coverage for a retiree and his or her eligible dependents based on the provisions of Section 22893 of the California Government Code. Under these rules, a retiree must have at least 10 years of credited service with a CalPERS agency, at least 5 of which are with the City/Port. The Port will pay a percentage of employer contributions for the Retiree based upon the following:

Years of Credited Service (at least 5 of which are with the City/Port)	% of Employer Contributions
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

(dollar amounts in thousands)

Employees Covered

The following current and former employees were covered by the benefit terms under the Port's Retiree Healthcare Plan, as of the June 30, 2019 actuarial valuation:

Active employees	466
Inactive employees or beneficiaries currently receiving benefits	594
Total	1,060

Contributions

Benefit provisions are established and are amended through negotiations between the Port and the various bargaining units during each bargaining period. The annual contribution is based on the actuarially determined contribution. The Port pays a portion of retiree benefit expenses on a pay-as–you-go basis to third parties and directly to beneficiaries (Pay-go) and funds the remaining actuarially determined contribution (ADC) to the CERBT fund. For the years ended June 30, 2020 and 2019, the Port's contributions consisted of the following:

	2020	2019
Direct payments (Pay-go)	$ 8,057	$ 7,940
CERBT fund contribution	4,200	5,500
Estimated implicit subsidy	1,888	1,454
Total cash contribution	$ 14,145	$ 14,894

(dollar amounts in thousands)

Net OPEB Liability

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the years ended June 30, 2020 and 2019, the following timeframes were used:

	2020	**2019**
Valuation Date	6/30/2019	6/30/2017
Measurement Date	6/30/2019	6/30/2018
Measurement Period	7/1/18 – 6/30/19	7/1/17 – 6/30/18

For the year ended June 30, 2020, the Port's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019. For the year ended June 30, 2019, the Port's net OPEB liability was measured by rolling forward the total OPEB liability from June 30, 2017 valuation to the measurement date. The June 30, 2019 and 2017, valuations used the following actuarial methods and assumptions:

	2019	2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.50%	2.50%
Salary Increase	3.00% per annum	3.00% per annum
Investment Rate of Return	6.75% net of investment expenses	6.75% net of investment expenses
Mortality, Termination and Disability	Based on the 2017 CalPERS Experience Study covering data from 1997 to 2015 (1)	Based on the 2014 CalPERS Experience Study covering data from 1997 to 2011 (2)
Healthcare Trend Rate (3)	3.25-6.00% per year increase for medical, 3.0% per year increase for vision and dental, and 4.25-6.0% per year increase for Medicate Part B.	3.50-6.25% per year increase for medical, 4.0% per year increase for vision and dental, and 0.0-5.5% per year increase for Medicate Part B.

(1)The mortality table used was developed based on CalPERS' specific data. The table includes a margin for mortality improvement using the Society of Actuaries 90% Scale MP 2016.
(2) The mortality table used was developed based on CalPERS' specific data. The table includes a margin for mortality improvement based on Scale BB projected to 2032.
(3) Based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long-term medical care.

The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

(dollar amounts in thousands)

Net OPEB Liability (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The table below reflects the target allocations and best estimates of arithmetic real rates of return for each major asset class used for the June 30, 2019 valuation	**Target Allocation**	**Expected Arithmetic Nominal Return (50 yrs) (1)**
Global Equity	59.0%	8.08%
U.S. Fixed Income	25.0	5.88
Treasury Inflation-Protected Securities	5.0	3.67
Real Estate Investment Trust	8.0	7.91
Commodities	3.0	5.38
Total	100.0%	
Expected Arithmetic Return (50 years)		7.21%
Expected Geometric Return (50 years)		6.65%

(1) Rates include a 2.50% long-term inflation assumption.

The table below reflects the target allocations and best estimates of arithmetic real rates of return for each major asset class used for the June 30, 2018 valuation	**Target Allocation**	**Expected Arithmetic Nominal Return (50 yrs) (1)**
Global Equity	57.0%	7.92%
U.S. Fixed Income	27.0	6.83
Treasury Inflation-Protected Securities	5.0	3.95
Real Estate Investment Trust	8.0	7.46
Commodities	3.0	5.38
Total	100.0%	
Expected Arithmetic Return (50 years)		7.32%
Expected Geometric Return (50 years)		6.7%

(1) Rates include a 2.50% long-term inflation assumption.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Port contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(dollar amounts in thousands)

Changes in the OPEB Liability

The changes in the net OPEB liability for the Port's Retiree Healthcare Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance as of June 30, 2019	$ 177,603	$ 77,737	$ 99,866
Changes recognized for the measurement period:			
Service cost	4,621	-	4,621
Interest on the total OPEB liability	11,995	-	11,995
Changes in benefit terms	-	-	-
Differences between actual and expected experience with regard to economic or demographic factors	(3,665)	-	(3,665)
Changes in assumptions	(6,179)	-	(6,179)
Benefit payments	(9,193)	(9,193)	-
Contribution from employer	-	14,693	(14,693)
Net investment income	-	4,821	(4,821)
Administrative expense	-	(38)	38
Total changes	(2,421)	10,283	(12,704)
Balance as of June 30, 2020	$ 175,182	$ 88,020	$ 87,162

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance as of June 30, 2018	$ 170,798	$ 66,921	$ 103,877
Changes recognized for the measurement period:			
Service cost	4,329	-	4,329
Interest on the total OPEB liability	11,521	-	11,521
Changes in benefit terms	-	-	-
Differences between actual and expected experience with regard to economic or demographic factors	-	-	-
Changes in assumptions	-	-	-
Benefit payments	(9,045)	(9,045)	-
Contribution from employer	-	14,545	(14,545)
Net investment income	-	5,351	(5,351)
Administrative expense	-	(35)	35
Total changes	6,805	10,816	(4,011)
Balance as of June 30, 2019	$ 177,603	$ 77,737	$ 99,866

(dollar amounts in thousands)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Port's net OPEB liability as of June 30, 2020 and 2019 measurement dates calculated using the current discount rate, as well as what the Port's net OPEB liability would be if it were calculated using a discount rate that is 1% lower to 1% higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
As of June 30, 2020, (measurement date)			
Net OPEB Liability	$108,704	$87,162	$69,206

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
As of June 30, 2019, (measurement date)			
Net OPEB Liability	$121,862	$99,866	$81,540

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Port's net OPEB liability as of the June 30, 2020 and 2019, measurement dates calculated using the current healthcare cost trend rates as well as what the Port's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower to 1% higher than the current rate:

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2020, (measurement date)			
Net OPEB Liability	$67,869	$87,162	$110,418

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2019, (measurement date)			
Net OPEB Liability	$78,773	$99,866	$125,351

(dollar amounts in thousands)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2020 and 2019, the Port recognized OPEB expense including amortization of deferred outflows/inflows related to OPEB items of $8,538 and $10,683, respectively. The Port reported deferred outflows/inflows of resources related to OPEB from the following sources at June 30:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ 652	$ -	$ 1,640
Differences between expected and actual experience	-	2,806	-	-
Changes of assumptions	-	4,732	-	-
OPEB contributions subsequent to the measurement date	14,145	-	14,894	-
	$ 14,145	$ 8,190	$ 14,894	$ 1,640

The OPEB contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent measurement year. Other amounts reported as deferred inflows of resources, will be amortized annually, and recognized as a reduction to OPEB expense, for the years ending June 30 as follows:

2021	$	(2,687)
2022		(2,687)
2023		(2,315)
2024		(501)
	$	(8,190)

11. Agreements with City of Oakland

The Port has entered into agreements with the City for provisions of various services such as aircraft rescue and firefighting (ARFF), Special Services, General Services, and Lake Merritt Trust Services. The City provides these services to the Port.

Special Services include designated police services, personnel, City clerk, legislative programming, and treasury services. General Services include fire, rescue, police, street maintenance, and similar services. Lake Merritt Trust Services include items such as recreation services, grounds maintenance, security, and lighting.

Port payments to the City for these services are made upon presentation of supporting documentation and authorizations from the Board.

(dollar amounts in thousands)

Special Services and ARFF

Payments for Special Services and ARFF are treated as a cost of Port operations pursuant to City Charter Section 717(3) Clause Third and have priority over certain other expenditures of Port revenues. Special Services and ARFF from the City totaled $8,059 and $6,741 in the years ended June 30, 2020 and 2019, respectively, and are included in Operating Expenses. At June 30, 2020 and 2019, $7,980 and $6,937, respectively, were accrued as current liabilities for these payments.

General Services and Lake Merritt Trust Services

Payments for General Services provided by the City are payable only to the extent the Port determines annually that surplus monies are available under the Charter for such purposes. As of June 30, 2020, and 2019, the Port accrued approximately $1,262 and $962, respectively, of payments for General Services. Additionally, the Port accrued approximately $1,329 and $1,588 to reimburse the City for Lake Merritt Trust Services in fiscal years 2020 and 2019, respectively. Subject to availability of surplus monies, the Port expects that it will continue to reimburse the City annually for General Services and Lake Merritt Trust Services.

Unearned Rent

In November 1994, the City entered into an agreement with the Port to partially fund the development of a project related to a lease at the Port. The lease required $5,145 in tenant improvements partially financed by $2,000 in deferred rent from the City's former Redevelopment Agency. The unearned rent is classified as unearned revenue. At June 30, 2020 and 2019, unearned rent was approximately $384 and $453, respectively. The amount classified as short-term unearned revenue at June 30, 2020 and 2019 was $70.

12. Commitments

Capital Program

As of June 30, 2020, the Port had construction commitments for the acquisition and construction of assets as follows:

Aviation	$ 20,332
Maritime	486
Total	$ 20,818

The most significant projects for which the Port has contractual commitments for construction are the Airport Perimeter Dike Improvements for $12,998, various terminal improvements including flooring replacement and removal and restoration of the moving walkways for $4,404, and equipment installation at two Maritime substations for $362.

(dollar amounts in thousands)

Power Purchases

The Port purchases electrical power for resale and self-consumption and currently has four power purchase agreements including East Bay Municipal Utility District (EBMUD), Western Area Power Administration (WAPA), Longroad Energy, and Northern California Power Agency (NCPA) with expiration dates greater than two years. Starting June 2020, the Port joined the NCPA Market Purchase Program (MPP) which enables NPCA to engage in forward power contract transactions to purchase energy and Renewable Energy Certificates (RECs) at the direction of the Port. Through the MPP, the Port reduces commodity costs due to the increased number of energy brokers contracted with NCPA, and purchasing in greater scale.

Counterparty	Contract Ending Year	Contract Structure	Estimated Annual Output	Estimated Annual Cost
EBMUD	2022	Take and Pay – (Pay contract price only if energy is received)	8,000 MWH	Approx. $584 with no Annual Escalator through 2017; Approx. $464 with no Annual Escalator from 2017-2022
WAPA	2024	Take or Pay – (Pay contract price without regard to energy received)	17,000 MWH	Approx. $800 (Changes annually depending on revenue requirement for power generation projects)
Longroad Energy	2027	Take and Pay – (Pay contract price only if energy is received)	1,200 MWH	Approx. $200 with Annual Escalator
NCPA	2041	Take and Pay – (Pay contract price only if energy is received)	11,300 MWH	Approx. $440 with no Annual Escalator

In addition to the aforementioned power purchase agreements, as of June 30, 2020, the Port held multiple forward power purchase contracts totaling approximately $1,350 with Powerex Corporation and Shell Energy North America. The forward power purchase contracts have various expiration dates through December 31, 2020.

(dollar amounts in thousands)

13. Contingencies

Environmental

The entitlements for the Airport Development Program (ADP) subject the Port to obligations arising from the adopted ADP Mitigation Monitoring and Reporting Program required under the California Environmental Quality Act, permits issued by numerous regulatory agencies including the Regional Water Quality Control Board and the Bay Conservation and Development Commission, and settlement agreements. The majority of these obligations have been met, and monitoring and reporting are ongoing.

A summary of the Port's environmental liability accounts, net of the estimated recoveries, included as Environmental and other liability on the statements of net position at June 30, 2020 and 2019, is as follows:

Obligating Event	2020 Liability, net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,198	$ -
Violated a pollution prevention-related permit or license	-	-
Identified as responsible to clean-up pollution	13,593	75
Named in a lawsuit to compel to cleanup	-	-
Begins or legally obligates to cleanup or post-cleanup activities	1,454	-
Total by Obligating Event	$ 16,245	$ 75

Obligating Event	2019 Liability, net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,333	$ -
Violated a pollution prevention-related permit or license	-	-
Identified as responsible to clean-up pollution	13,939	179
Named in a lawsuit to compel to cleanup	-	-
Begins or legally obligates to cleanup or post-cleanup activities	1,806	-
Total by Obligating Event	$ 17,078	$ 179

The environmental liability accounts in the summary tables are listed by the initial obligating event. Due to new information, the obligating event may change from the initial obligating event. Examples of obligating events include: 1) the Port is named, or evidence indicates that it will be named, by a regulator such as the Department of Toxic Substances Control or the Regional Water Quality Control Board, as a responsible party or potentially responsible party for remediation; or 2) the Port has commenced, or legally obligates itself to commence, clean-up activities, monitoring or operation and maintenance of the remediation effort (e.g., by undertaking a soil and groundwater pre-development investigation).

Environmental (continued)

Methods and Assumptions

The Port measured the environmental liabilities for pollution remediation sites on Port-owned property using the Expected Cash Flow technique. The measurements are based on the current value of the outlays expected to be incurred. The cash flow scenarios include each component which can be reasonably estimated for outlays such as testing, monitoring, legal services and indirect outlays for Port labor instead of ranges of all components. Reasonable estimates of ranges of possible cash flows are limited from a single scenario to a few scenarios. Data used to develop the cash flow scenarios is obtained from outside consultants, Port staff, and the Port's outside legal counsel.

Changes to estimates will be made when new information becomes available. Estimates for the pollution remediation sites will be developed when the following benchmarks or changes in estimated outlays occur:

- Receipt of an administrative order.
- Participation, as a responsible party or a potentially responsible party, in the site assessment or investigation.
- Completion of a corrective measures feasibility study.
- Issuance of an authorization to proceed.
- Remediation design and implementation, through and including operation and maintenance and post remediation monitoring.
- Change in the remediation plan or operating conditions, including but not limited to type of equipment, facilities and services that will be used and price increases.
- Changes in technology.
- Changes in legal or regulatory requirements.

Recoveries

The environmental liabilities balances listed on the prior page have been reduced by estimated future recoveries. In calculating the estimated future recoveries, Port staff and outside legal counsel reviewed and applied the requirements of GASB 49 for accounting for recoveries. For example, if a Port tenant has a contract obligation to reimburse the Port for certain pollution remediation costs, or if an insurance carrier has paid money on a certain claim and the Port is pursuing additional costs from the insurance carrier associated with the claim, then a recovery was estimated. If an insurance carrier has not yet acknowledged coverage, then a recovery was not estimated.

Litigation

The Port at various times is a defendant in various lawsuits arising in the normal course of business, including constructing public improvements or construction related claims for unspecified amounts. The ultimate disposition of these suits and claims is not known and the Port's insurance may cover a portion of any losses, if incurred. Port management may make provision for probable losses if deemed appropriate on the advice of legal counsel.

Lease Terminal Loss Contingency

On February 1, 2016, Outer Harbor Terminal, LLC (formerly Ports America Outer Harbor Terminal, LLC) (OHT) filed for Chapter 11 bankruptcy protection. At that time OHT held a 50-year lease with the Port to operate at Berths 20-24, a month to month lease to operate Berth 25/26 (including crane maintenance), and a separate lease to operate and maintain cranes at Berths 20-24. On February 20, 2016, the Port reached a settlement agreement with OHT by which the Port would let OHT out of its lease obligations. This agreement was subsequently approved by the bankruptcy court. This event returned property to the Port that needed significant repairs and deferred maintenance. As of June 30, 2020, and 2019, the Port estimated the cost to complete significant repairs and deferred maintenance over the next few years is approximately $16,601 and $16,800, respectively.

Grants

Certain grants that the Port receives are subject to audit and financial acceptance by the granting agency based upon reviews of costs incurred and submitted for reimbursement or demonstrated Port match. The Port's management does not believe that such audits will have a material impact on the financial statements.

14. Insurance

The Port purchases insurance on certain risk exposures including but not limited to property, automobiles liability, airport liability, umbrella liability, environmental liability, fidelity, fiduciary liability, and public official's liability. Port deductibles for the various insured programs range from $10 to $1,000 each claim. The Port is self-insured for other general liability and liability/litigation-type claims, workers' compensation of the Port's employees and most first party exposures. During fiscal years 2020 and 2019, the Port carried excess insurance over $1,000 for the self-insured general liability and workers' compensation exposures. There have been no claim payments related to these programs that exceeded insurance limits in the last three years.

(dollar amounts in thousands)

Workers' Compensation

Changes in the reported liability, which is included as part of environmental and other, follows:

Workers' compensation liability at June 30, 2017	$ 11,282
Current year changes in estimates	649
Claim payments	(1,270)
Workers' compensation liability at June 30, 2018	10,661
Current year changes in estimates	4,527
Claim payments	(2,004)
Workers' compensation liability at June 30, 2019	13,184
Current year changes in estimates	(3,059)
Claim payments	(1,263)
Workers' compensation liability at June 30, 2020	$ 8,862

The workers' compensation liability of $8,862 at June 30, 2020 is based upon an actuarial study performed as of June 30, 2020 that assumed a probability level of 80% and a discount rate of 0.0%. The workers' compensation liability balance of $13,184 at June 30, 2019 is based upon an actuarial study performed as of June 30, 2019 that assumed a probability level of 80% and a discount rate of 0.0%.

Capital Improvement Projects

The Port maintains an Owner Controlled Insurance Program (OCIP) and Owner Protective Professional Indemnity Insurance Program (OPPI) for contractors and consultants working on Port Capital Improvement Projects (CIP).

OCIP provides general liability insurance and workers' compensation insurance for contractors working on CIP projects. The Port is responsible for payment of the deductible/self-insured retention, which is currently $250 for each general liability and workers' compensation claim.

The OPPI protects the Port from the potential error and omission of consultants working on Port CIP projects. Consultants must meet minimum insurance requirements of $1,000 to $2,000. If minimum insurance is not provided or the consultants do not respond, the Port would be responsible for a $100 self-insured retention. There is no actuarial forecast for this coverage.

15. COVID-19 Impact on Port

In March 2020, the World Health Organization declared the outbreak of the coronavirus global pandemic. On March 13, 2020, President Trump declared a national state of emergency. The U.S. Department of State and the Centers for Disease Control and Prevention ("CDC"), as well as other governmental authorities, nations, and companies, issued travel restrictions and warnings for countries around the world, including the United States. The federal government and many states, counties, and cities, including in the Bay Area and California, have instituted social distancing guidelines and/or stay-at-home health orders, with certain exceptions and for various periods of time. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, the cancellation of numerous events, avoiding social groups, and limitations on the operations of restaurants, bars, and other gathering establishments. These health orders have been modified on numerous occasions over the last eight months.

The outbreak of the COVID-19 pandemic and related restrictions and measures adopted to contain the spread of the virus have had, and continue to have, a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and Airport concessionaires, and have caused, and continue to cause, record-high unemployment and significant contraction of global and international economies, which has negatively affected Seaport shipping volumes and revenues. Although Port operations have continued largely uninterrupted throughout the pandemic due to the essential nature of its core businesses, the Port's operations, as well as the finances and operations of many of its tenants and operators, have been materially adversely affected by the impacts of the COVID-19 pandemic and the measures taken and imposed to counter it.

Of the Port's three revenue divisions, the Aviation division has been most severely impacted by the COVID-19 pandemic. Before air travel restrictions were put in place to slow the spread of COVID-19, the Airport averaged 155 passenger aircraft departures a day by 15 marketing airlines to 54 domestic and international destinations. As of October 2020, nine airlines collectively operated an average of 75 passenger aircraft departures to 31 destinations within California and across the United States and Mexico. This decline was due to passenger airlines reducing their schedules in response to lower consumer demand, including JetBlue Airways and American Airlines ceasing operations at the Airport entirely, in April 2020 and June 2020, respectively. Between March 2020 (when Alameda County shelter-in-place orders were first enacted) and June 2020, passenger enplanements declined by a total of 1.9 million relative to the same period in the prior year, resulting in a decrease in total enplanements for fiscal year 2020 of approximately 30.4% from fiscal year 2019. Passenger enplanements in the first quarter of fiscal year 2021 were 488,968, a decrease of 72.3% from the first quarter of fiscal year 2020. Passenger activity levels affect PFCs, concessions, rental car, parking, and ground transportation revenues, as well as long-term demand for Airport facilities, airlines' cost per enplanement, and the financial condition of Aviation tenants, and therefore of the Port. Multiple Airport tenants have requested rent concessions or abatements since the onset of the COVID-19 pandemic. The Port agreed to grant three-month rent deferrals to certain tenants, to allow certain food and beverage and retail concessions to close or reduce operating hours, and to waive the obligation to pay Minimum Annual Guarantees ("MAGs") for certain concessions from May 2020 through the end of fiscal year 2021.

Passenger activity at the Airport is projected to ramp up gradually from the low observed in April 2020 as shelter-in-place health order restrictions are loosened or rescinded, and demand for air

COVID-19 Impact on Port (continued)

travel increases. The Airport is expecting an increase in scheduled service and passenger activity due to the resumption of service to Hawaii beginning November 2020. Total passenger activity growth remains uncertain as airlines will continue to adjust their schedules to match overall market demand.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law on March 27, 2020 and includes $10 billion to be awarded to impacted airports. A portion of the CARES Act funding will be used to eliminate the 20% local matching requirements to qualify for 2020 federal Airport Improvement Program ("AIP") grants. The remainder may be applied to any eligible airport expenses (both operating and non-operating, including debt service payments) that would otherwise be funded with airport revenues. The Airport has been allocated $44.7 million of CARES Act grant funding and plans to apply the majority of the CARES Act grant to pay for aviation-related debt service over the next three fiscal years (fiscal years 2021–2023), and the remainder to pay for aviation related operating expenses in fiscal year 2021. Actual application of CARES Act funds is subject to change based on changing needs at the Airport.

The COVID-19 pandemic has also impacted several Commercial Real Estate tenants' ability to operate their businesses. The shelter-in-place order issued March 2020 initially limited many restaurants, including the six restaurants located on Commercial Real Estate properties, to take-out or delivery services. While restaurants were able to offer on-premise dining starting June 19, 2020, only outdoor dining was initially permitted. Beginning October 26, 2020, indoor dining is allowed at reduced occupancy. In July 2020, the Board authorized a Rent Relief Program for the six direct restaurant tenants of the Port managed by the Commercial Real Estate Division, which includes the equivalent of three months of rent abatement for April-June of 2020 and a rent deferral program for the entirety of fiscal year 2021, which equates to a reduction of approximately 75% of the minimum monthly rent for these restaurants for the fiscal year, but with all deferred rents owed for the following two fiscal years, paid in equal monthly installments in addition to regular contract rent. Commercial Real Estate's revenues are expected to decrease in fiscal year 2021 as the number of visitors frequenting Port-owned public parking facilities in Jack London Square, will continue to be reduced due to the cancellation of all public festivals and waterfront celebration events that are typically scheduled during the summer and fall months in Jack London Square.

The global fight to contain the spread of COVID-19 has disrupted global demand for goods, impacted manufacturing supply chains, and limited the overall movement of marine cargo and the number of vessel calls around the world. The Seaport observed declines in loaded container volume in May and June 2020 due to impacts of the COVID-19 pandemic on global shipping, however, increases in loaded container volume in August and September 2020 have recovered most of those losses. Because a large portion of Maritime revenue is fixed with the potential for additional variable revenue above pre-determined MAGs, Maritime revenues have not been impacted to date. At present, none of the marine terminals or other major, long-term lessees (i.e., lessees with leases of more than one year) have requested rent relief, and the Port does not currently anticipate requests for rent relief from marine terminal operators. The Port has not granted requests for maritime-related rent relief but has offered to reduce leasehold area as an indirect way to reduce rent and also to free up space for potential new or expanding tenants; while some short-term tenants expanded and some shrunk their leaseholds in the last three months of fiscal year 2020, there was no clear indication that these changes are out of the norm and or directly related to the COVID-19 pandemic.

PORT OF OAKLAND

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Port of Oakland

(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability*
(dollar amounts in thousands)

City of Oakland CalPERS Miscellaneous Unit - Pension Plan

Fiscal year	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	23.84%	24.20%	24.80%	25.00%	25.00%	24.86%
Covered payroll (measurement period)	$ 58,104	$ 54,813	$ 54,114	$ 53,400	$ 50,093	$ 48,524
Proportionate share of net pension liability	$ 215,522	$ 203,202	$ 219,306	$ 200,186	$ 172,915	$ 160,287
Proportionate share of net pension liability as a percentage of covered payroll	370.92%	370.72%	405.27%	374.88%	345.19%	330.33%
Plan fiduciary net position as a percentage of total pension liability	68.44%	69.17%	66.90%	67.34%	71.01%	72.55%

Notes:

*Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal year ended June 30, 2015 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after the valuation date. This applies for voluntary benefit changes as well as any offers of Two Year Additional Service Credit (a.k.a Golden Handshakes).

Change in assumptions -
Discount rate was changed as follows:
Fiscal year 2015 - 7.5%, net of administrative expenses
Fiscal year 2016 through 2017 - 7.65%, without reduction for pension plan administrative expenses.
Fiscal year 2018 through 2020 - 7.15%

Port of Oakland

(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions*
For the year ended June 30
(dollar amounts in thousands)

City of Oakland CalPERS Miscellaneous Unit - Pension Plan

Fiscal year	2020	2019	2018	2017	2016	2015
Actuarially determined contribution (ADC)	$ 24,588	$ 21,832	$ 19,253	$ 18,906	$ 15,989	$ 14,735
Contributions in relation to the ADC	(24,588)	(21,832)	(19,253)	(18,906)	(15,989)	(14,735)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll (for the fiscal year)	$ 61,374	$ 58,104	$ 54,813	$ 54,114	$ 53,400	$ 50,093
Contributions as a percentage of covered payroll	40.06%	37.57%	35.12%	34.94%	29.94%	29.42%

Notes:

*Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal year ended June 30, 2015 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

Methods and assumptions used to determine contributions:

ADC for each fiscal year was established by an actuarial valuation report for the fiscal years as follows:

ADC for fiscal year	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial valuation date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

Actuarial cost method	Entry Age Normal
Asset valuation method	In fiscal years 2019-2016 the market value of assets was used. In fiscal year 2015 the actuarial value of assets was used.
Inflation	In fiscal year 2020, 2.625% compounded annually. In fiscal years 2015-2019, 2.75% compounded annually.
Salary increases	Varies by entry age and services
Payroll growth	In fiscal year 2020, 2.875% compounded annually. In fiscal years 2015 - 2019, 3% compounded annually.
Investment Rate of return	In fiscal year 2020, 7.375%, net of administrative expenses, including inflation. In fiscal year 2019, 7.35%, net of administrative expenses, including inflation. In fiscal year 2018 through 2015, 7.50%, net of administrative expenses, including inflation.
Retirement age	In fiscal year 2019 through 2017, the probabilities of retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011. In fiscal year 2016 and 2015, the probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	In fiscal year 2020, post-retirement mortality rates included 15 years of projected ongoing mortality improvement 90% of Sacale MP 2016 published by the Society of Actuaries. In fiscal year 2019 through 2017, the probabilities of retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. In fiscal year 2016 and 2015, the probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Port of Oakland

(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios*
For the measurement period ended June 30
(dollar amounts in thousands)

Measurement Period	2019	2018	2017
Total OPEB Liability			
Service cost	$ 4,621	$ 4,329	$ 4,055
Interest on the total OPEB liability	11,995	11,521	11,089
Actual and expected experience difference	(3,665)	-	-
Changes in assumptions	(6,179)	-	-
Changes in benefit terms	-	-	-
Benefit payments	(9,193)	(9,045)	(9,000)
Net change in total OPEB liability	(2,421)	6,805	6,144
Total OPEB liability - beginning	177,603	170,798	164,654
Total OPEB liability - ending (a)	$ 175,182	$ 177,603	$ 170,798
Plan Fiduciary Net Position			
Contributions - employer	$ 14,693	$ 14,542	$ 15,400
Net investment income	4,821	5,351	5,773
Benefits payments	(9,193)	(9,045)	(9,000)
Administrative expense	(38)	(35)	(22)
Net change in plan fiduciary net position	10,283	10,816	12,151
Plan fiduciary net position - beginning	77,737	66,921	54,770
Plan fiduciary net position - ending (b)	$ 88,020	$ 77,737	$ 66,921
Net OPEB liability - ending (a) - (b)	$ 87,162	$ 99,866	$ 103,877
Plan fiduciary net position as a percentage of the total OPEB liability	50.24%	43.77%	39.18%
Covered-employee payroll (for the measurement period)	$ 63,359	$ 61,326	$ 58,516
Net OPEB liability as a percentage of covered-employee payroll	137.57%	162.84%	177.52%

Note:

*Historical information is required only for measurement periods for which GASB 75 is applicable. The year ended June 30, 2018 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

Port of Oakland

(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions*
For the year ended June 30
(dollar amounts in thousands)

	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 12,149	$ 13,310	$ $ 13,203
Contribution in relation to the ADC	(14,145)	(14,894)	(14,732)
Contribution deficiency/(excess)	$ (1,996)	$ (1,584)	$ $ (1,529)
Covered-employee payroll (for the fiscal year)	$ 66,473	$ 63,359	$ 61,326
Contributions as a percentage of covered-employee payroll	21.28%	23.51%	24.02%

Notes:

*Historical information is required only for measurement periods for which GASB 75 is applicable. Fiscal year ended June 30, 2018 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

Methods and assumptions used to determine contributions:

ADC for fiscal year	6/30/2019	6/30/2018	6/30/2017
Actuarial valuation date	6/30/2019	6/30/2017	6/30/2017

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	30 year level dollar amount on a "closed" basis
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Payroll Growth	CalPERS salary scale for Miscellaneous employees hired at age 30
Investment Rate of Return	6.75% net of investment expense
Healthcare Cost-Trend Rates	For fiscal year 2020, 3.25%-6.00% per year increase for medical, 3.0% per year increase for vision and dental, and 4.25%-6.00% per year increase for Medicare Part B. For Fiscal year 2019 and 2018, 3.50-6.25% per year increase for medical, 4.0% per year increase for vision and dental, and 0.0%-5.5% per year increase for Medicare Part B
Retirement Age and Mortality	For fiscal year 2020, based upon the CalPERs valuation experience study. CalPERs mortality rates include 15 years of projected on-going improvement using 90 percent of Scale MP-2016. For fiscal year 2019-2018, based upon the CalPERs valuation experience study. CalPERs mortality rates include 15 years of projected on-going improvement using 90 percent of Scale MP-2016.

OTHER SUPPLEMENTARY INFORMATION

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Port of Oakland

(A Component Unit of the City of Oakland)
Supplementary Information - Schedule of Revenues and Expenses by Business Line
For the years ended June 30, 2020 and 2019
(dollar amounts in thousands)

	2020				2019			
	Aviation	Maritime	Commercial Real Estate	Total	Aviation	Maritime	Commercial Real Estate	Total
Operating revenues:								
Lease rentals - terminal	$ 64,581	$ 122,672	$ -	$ 187,253	$ 63,373	$ 120,550	$ -	$ 183,923
Lease rentals - other	33,505	26,309	13,468	73,281	31,614	23,963	14,343	69,920
Parking fees and ground access	41,442	7,745	2,062	51,249	56,231	8,046	2,800	67,077
Landing fees	31,334	-	-	31,334	36,849	-	-	36,849
Terminal concessions	7,057	-	-	7,057	9,930	-	-	9,930
Utility sales	3,489	13,107	102	16,698	4,120	14,384	102	18,606
Rail terminal rent	-	2,492	-	2,492	-	3,979	-	3,979
Fueling	2,313	-	-	2,313	2,582	-	-	2,582
Other	2,868	415	954	4,238	3,323	54	754	4,131
Total operating revenues	186,589	172,740	16,586	375,915	208,022	170,976	17,999	396,997
Operating expenses:								
Personnel services, materials, services supplies, and other	54,628	16,660	4,910	76,198	54,292	15,187	5,467	74,946
Maintenance and engineering	35,713	31,251	756	67,720	37,428	28,548	750	66,726
Marketing and public relations	4,002	1,479	433	5,914	4,203	1,469	685	6,357
Administration and general services	10,685	7,078	2,836	20,599	10,485	6,946	2,412	19,843
Utilities	5,471	7,189	569	13,229	5,354	6,038	495	11,887
Security, police and fire	34,569	1,933	1,217	37,719	33,581	1,569	1,123	36,273
Depreciation	56,019	55,300	2,664	113,983	56,577	55,934	2,410	114,921
Total operating expenses	201,087	120,890	13,385	335,362	201,920	115,691	13,342	330,953
Operating income/(loss)	(14,498)	51,850	3,201	40,553	6,102	55,285	4,657	66,044
Non-operating revenues (expenses):								
Interest income	4,764	5,361	888	11,013	1,432	10,632	1,299	13,363
Interest expense	(5,331)	(28,564)	(267)	(34,162)	(6,375)	(29,879)	(350)	(36,604)
Customer facility charges revenue	3,890	-	-	3,890	5,421	-	-	5,421
Customer facility charges expenses	(4,741)	-	-	(4,741)	(5,440)	-	-	(5,440)
Passenger facility charges	16,285	-	-	16,285	25,819	-	-	25,819
Other income	800	9,609	1,786	12,195	246	2,511	18	2,775
Other expense	(1,814)	(1,617)	(132)	(3,563)	(884)	(4,976)	(193)	(6,053)
Grant income	-	-	-	-	203	251	-	454
Grant expenses	-	-	-	-	(203)	(251)	-	(454)
Loss on disposal of capital assets	(250)	(2,361)	(5)	(2,616)	(10,864)	-	-	(10,864)
Total non-operating revenues (expenses), net	13,603	(17,572)	2,270	(1,699)	9,355	(21,712)	774	(11,583)
Increase/(decrease) in net position before capital contributions	(895)	34,278	5,471	38,854	15,457	33,573	5,431	54,461
Capital contributions - Grants from government agencies	5,410	1,967	-	7,377	8,238	-	-	8,238
Increase in net position	$ 4,515	$ 36,245	$ 5,471	$ 46,231	$ 23,695	$ 33,573	$ 5,431	$ 62,699

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APPENDIX B-1

SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE

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APPENDIX B-1

SUMMARIES OF THE INTERMEDIATE LIEN MASTER TRUST INDENTURE, AND THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE

DEFINITIONS

The following are definitions of certain terms used in this Official Statement, including in the summaries of the Intermediate Lien Master Trust Indenture and the Third Supplemental Intermediate Lien Trust Indenture.

"*2021 Series H Intermediate Lien Bonds*" means the Series H Bonds issued under the Intermediate Lien Indenture and the Fourth Supplemental Intermediate Lien Trust Indenture.

"*Accreted Value*" means (i) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Intermediate Lien Indenture as the amount representing the initial principal amount of such Intermediate Lien Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (ii) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Intermediate Lien Bonds plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value shall be determined in accordance with the provisions of the Supplemental Intermediate Lien Indenture authorizing the issuance of such Intermediate Lien Bond.

“*Act*" means Article VII of the Charter, as amended from time to time, or any other article or section of the Charter in which the provisions relating to the Board and the Port Department (as defined in the Charter) may be set forth.

"*Additional Intermediate Lien Bonds*" has the meaning ascribed in the Official Statement under "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES H INTERMEDIATE LIEN BONDS-Additional Intermediate Lien Bonds."

"*Annual DBW Loan Debt Service*" means, at any point in time, with respect to all DBW Loans that are then Outstanding, the aggregate amount of principal and interest becoming due in a given Fiscal Year, calculated in accordance with the terms of said loans.

"*Annual Intermediate Lien Debt Service*" means, at any point in time, with respect to all Intermediate Lien Bonds which are then Outstanding and all Intermediate Lien Bonds which are then Authorized, the aggregate amount of principal and interest becoming due in a given Fiscal Year, calculated as provided below. For purposes of calculating Annual Intermediate Lien Debt Service, the following assumptions shall be used:

i. unless otherwise provided in this definition, debt service on Intermediate Lien Bonds shall be assumed to be made in accordance with any amortization schedule established by the governing documents setting forth the term of such Intermediate Lien Bonds;

ii. if all or any portion or portions of an Outstanding or proposed Series of Intermediate Lien Bonds constitute Balloon Indebtedness (excluding Intermediate Lien Bonds which are part of a Program and to which subsection (ix) applies), then, the principal amount that constitutes Balloon Indebtedness shall (unless subsection (iii) of this definition then applies to such maturity) be treated as if it were to be amortized from the date of original issuance thereof over the greater of (A) the period to maturity of such Intermediate Lien Bonds and (B) a period of 25 years and with substantially level annual debt service payments; the interest rate used for the computation shall be a rate determined by a Consultant approved by at least two (2) Authorized Board Representatives to be a reasonable market rate for 25-year (or such other applicable greater period) fixed-rate Intermediate Lien Bonds issued on the date of such calculation, with no, credit enhancement and taking into consideration whether such Intermediate Lien Bonds bear interest that is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Intermediate Lien Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in subsection (i) above or such other provision of this definition, as applicable, and, with respect to any Series or that portion of a Series which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the year of the stated maturity or mandatory redemption, as applicable, of the Balloon Indebtedness shall be treated as described in subsection (i) above or such other provision of this definition, as applicable;

iii. for any portion or portions of Outstanding Series of Intermediate Lien Bonds which constitute Balloon Indebtedness with a stated due date that occurs within 12 months from the date of calculation under this definition, such portion or portions shall be assumed to become due and payable on the stated due date and subsection (ii) above shall not apply unless there is delivered to the entity making the calculation a certificate of an Authorized Board Representative setting forth the following: (A) a statement that the Board intends to refinance such Balloon Indebtedness; (B) the probable terms of such refinancing; and (C) the debt capacity of the Board is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating the Annual Intermediate Lien Debt Service;

iv. if any of the Outstanding or proposed Series of Intermediate Lien Bonds constitute Tender Indebtedness (except to the extent subsection (v) relating to Variable Rate Indebtedness secured by a Liquidity Facility applies or subsection (ix), (x), (xi) or (xii) relating to Intermediate Lien Bonds which are part of a Program, are Repayment Obligations or for which a Qualified Swap is in effect applies), then such Tender Indebtedness shall be treated as if the applicable principal amount of such Intermediate Lien Bonds were to be amortized from the date of original issuance thereof over the greater of: (A) the period to the date such Tendered Indebtedness is required to be paid pursuant to the applicable tender; and (B) a period of 25 years and with substantially level annual debt service payments; the interest rate used for the computation shall be a rate determined by a Consultant approved by at least two (2) Authorized Board Representatives to be a reasonable market rate for 25-year fixed-rate Intermediate Lien Bonds issued on the date of such calculation, with no credit enhancement and taking into consideration whether such Intermediate Lien Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to all principal and interest payments becoming due prior to the year in which such Tender

Indebtedness is first subject to tender such payments shall be treated as described in subsection (i) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in subsection (v), (vi), (vii) or (xiii) below, as appropriate;

v. if any Intermediate Lien Bonds constitute Variable Rate Indebtedness (except to the extent subsection (ii) or (iii) relating to Balloon Indebtedness applies or subsection (iv) relating to Tender Indebtedness not secured by a Liquidity Facility applies, or subsection (xi) or (xii) relating to Qualified Swaps applies) that have not yet been issued or have been Outstanding for less than one (1) year, the interest rate on such tax-exempt Intermediate Lien Bonds shall be assumed to be the five (5)-year average of the SIFMA Municipal Swap Index, plus (a) 0.50% for non- AMT Intermediate Lien Bonds and 0.65% for AMT Intermediate Lien Bonds and the interest rate on such taxable Intermediate Lien Bonds shall be assumed to be the five (5)-year average of the one (1)-month LIBOR, plus 0.5%;

vi. if any Intermediate Lien Bonds constitute Variable Rate Indebtedness (except to the extent subsection (ii) or (iii) relating to Balloon Indebtedness or subsection (xi) or (xii) relating to Qualified Swaps applies) that have been Outstanding for one (1) year or more, the interest rate on such Intermediate Lien Bonds shall be assumed to be the average of interest rates for the Intermediate Lien Bonds since their issuance by the Board up to the date of the calculation under this definition, plus 0.5%;

vii. with respect to any Intermediate Lien Commercial Paper Program which has been proposed to be Implemented or has been Implemented and not then terminated, the principal and interest thereon shall be calculated as if the entire Authorized Amount of such Intermediate Lien Commercial Paper Program were to be amortized over a term of 25 years commencing in the year in which such Intermediate Lien Commercial Paper Program is Implemented and with substantially level annual debt service payments; the interest rate used for such computation shall be a rate determined by a Consultant approved by at least two (2) Authorized Board Representatives to be a reasonable market rate for 25-year fixed-rate Intermediate Lien Bonds on the date of such calculation, with no credit enhancement and taking into consideration whether such Intermediate Lien Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

viii. with respect to any Program, other than an Intermediate Lien Commercial Paper Program, then proposed to be Implemented, it shall be assumed that the full Authorized Amount of such Intermediate Lien Bonds will be amortized over a term certified by an Authorized Board Representative to be the expected duration of such Program, but not to exceed 25 years, and commencing in the year such Program is Implemented and that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be a rate determined by a Consultant approved by at least two (2) Authorized Board Representatives to be a reasonable market rate for fixed- rate Intermediate Lien Bonds of a corresponding term issued under the Intermediate Lien Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Intermediate Lien Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

ix. with respect to any Program, other than an Intermediate Lien Commercial Paper Program, which has been Implemented (a) debt service on Intermediate Lien Bonds then Outstanding as part of such Program shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (b) with respect to the Intermediate Lien Bonds of such Program which are Authorized, it shall be assumed that the full principal amount of such Authorized Intermediate Lien Bonds will be amortized over a term certified by an Authorized Board Representative to be the expected duration of such Program at the time of such calculation, but not to exceed 25 years from the date such Program is Implemented and it shall be assumed that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be a rate determined by a Consultant approved by at least two (2) Authorized Board Representatives to be a reasonable market rate for fixed-rate Intermediate Lien Bonds of a corresponding term issued under the Intermediate Lien Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Intermediate Lien Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

x. debt service on Repayment Obligations, to the extent such obligations constitute Intermediate Lien Bonds under the Intermediate Lien Indenture, shall be calculated as provided in this APPENDIX B-1 under "THE INTERMEDIATE LIEN MASTER TRUST INDENTURE-Repayment Obligations;"

xi. for purposes of computing the Annual Intermediate Lien Debt Service of Intermediate Lien Bonds of a Series with respect to which a Qualified Swap is in effect, the interest payable thereon (a) except as provided in clause (b) of this sentence, shall be deemed to be the interest payable under the Qualified Swap in accordance with the terms thereof plus any amount required to be paid by the Board to the Qualified Swap Provider pursuant to the Qualified Swap or minus any amount required to be paid by the Qualified Swap Provider to the Board pursuant to the Qualified Swap, provided that any amount accruing at a variable rate shall be determined in accordance with subsection (v) or (vi) of this definition, or (b) for purposes of computing the Annual Intermediate Lien Debt Service for any Reserve Fund created for a Series of Intermediate Lien Bonds and for purposes of any computation for the issuance of additional Intermediate Lien Bonds as provided in this APPENDIX B-1 under "THE INTERMEDIATE LIEN MASTER TRUST INDENTURE-Additional Intermediate Lien Bonds," shall be deemed to be the amount accruing (1) at the fixed rate as provided in the Qualified Swap if the Qualified Swap provides that the Board's obligation thereunder is payable at a fixed rate or (2) at a variable rate determined in accordance with subsection (v) or (vi) of this definition if the Qualified Swap provides that the Board's obligation thereunder is payable at a variable rate.

xii. for purposes of computing the Annual Intermediate Lien Debt Service of Qualified Swaps with respect to which no Intermediate Lien Bonds are presently Outstanding or of that portion of a Qualified Swap with respect to which the notional amount is greater than the principal amount of Outstanding Intermediate Lien Bonds to which such Qualified Swap relates for purposes of computation of Annual Intermediate Lien Debt Service for a period after the date of computation, the interest payable thereon shall be deemed to be the net amount most recently paid, as of the date of computation, by the Board to the Qualified Swap Provider thereunder or (expressed negative number) by the Qualified Swap Provider to the Board thereunder; and

xiii. if moneys or Permitted Investments have been irrevocably deposited with and are held by the Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Intermediate Lien Bonds, then the principal and/or interest to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Annual Intermediate Lien Debt Service.

"*Annual Senior Lien Debt Service*" means, at any point in time, with respect to all Senior Lien Bonds that are then Outstanding and all Senior Lien Bonds which are then Authorized, the aggregate amount of principal and interest becoming due in a given Fiscal Year, calculated in accordance with the assumptions described in the definition of "Maximum Annual Debt Service" in the Senior Lien Indenture.

"*Authorized"* means, with respect to any Program which has been Implemented and not terminated, the Authorized Amount less the amounts which are Outstanding at the time of calculation. Notwithstanding the foregoing, the defined term, as applied to the Senior Lien Bonds, shall have the meaning given to such term in the Senior Lien Indenture.

"*Authorized Amount*" means, when used with respect to a Program, the maximum Principal Amount of Intermediate Lien Bonds which is then authorized by the Board to be Outstanding at any one time under the terms of such Program; provided that "Authorized Amount" means, with respect to any Intermediate Lien Commercial Paper Program, the lesser of (i) the maximum Principal Amount of Intermediate Lien Commercial Paper Notes then authorized by the Board to be Outstanding at any time under the terms of such Intermediate Lien Commercial Paper Program or (ii) the sum of (a) the maximum Principal Amount available (utilized and unutilized, if applicable) under a Credit Facility or Credit Facilities entered into with respect to such Intermediate Lien Commercial Paper Program and (b) the maximum Principal Amount of such Intermediate Lien Commercial Paper Program that is Outstanding and unenhanced by a Credit Facility. Notwithstanding the foregoing, the defined term, as applied to the Senior Lien Bonds, shall have the meaning given to such term in the Senior Lien Indenture.

"*Authorized Board Representative*" means the Executive Director, the Deputy Executive Director Operations or the Deputy Executive Director Financial Services of the Board or such other officer or employee of the Board or other person which other officer, employee or person has been designated by the Board as an Authorized Board Representative by written notice delivered by the Executive Director, the Deputy Executive Director Operations or the Deputy Executive Director Financial Services to the Trustee.

"*Available Pledged Revenues*" means "Available Pledged Revenues" as defined in the Commercial Paper Note Indentures.

"*Average Annual Debt Service*" means, at any point in time, the average of the debt service scheduled to be due in any Fiscal Year with respect to all Intermediate Lien Common Reserve Fund Bonds then secured by the Intermediate Lien Common Reserve Fund during the period beginning with the then current Fiscal Year and ending with the Fiscal Year in which the last of such Intermediate Lien Common Reserve Fund Bonds mature by their terms.

"*Balloon Indebtedness*" means, with respect to any Series of Intermediate Lien Bonds twenty-five percent (25%) or more of the original Principal Amount of which becomes due (either at maturity or upon scheduled mandatory redemption) during any Fiscal Year, that portion of such Series which becomes due within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness, the amount of Intermediate Lien Bonds of a Series becoming due within a Fiscal Year must equal or exceed 150% of the amount of such Series which was due during any preceding Fiscal Year. For purposes of this definition, the principal amount becoming due on any date shall be reduced by the amount of such Intermediate Lien Bonds that is scheduled to be amortized by prepayment or redemption prior to the stated due date of such Intermediate Lien Bonds. An Intermediate Lien Commercial Paper Program and the Intermediate Lien Commercial Paper Notes constituting part of such program shall not be Balloon Indebtedness.

"*Board*" means the Board of Port Commissioners of the City of Oakland, California, created under the provisions of the Act, and any successor to its function.

"*Bond Counsel*" means a firm or firms of attorneys which are nationally recognized as experts in the area of municipal finance, which are familiar with the types of transactions contemplated under the Intermediate Lien Indenture and which are acceptable to the Board.

"*Bondholder*," "*holder*," "*owner*" or "*registered owner*" means the person in whose name any Intermediate Lien Bond or Intermediate Lien Bonds are registered on the books maintained by the Registrar and shall include any Credit Provider or Liquidity Provider to which a Repayment Obligation is then owed, to the extent that such Repayment Obligation is deemed to be an Intermediate Lien Bond under the provisions of the Intermediate Lien Indenture. For so long as the 2021 Series H Intermediate Lien Bonds are Book-Entry Bonds, the Bondholders shall be DTC or its nominee.

"*Business Day*" means a day on which banks located in New York, New York, in Oakland, California and in the city in which the principal corporate trust office of the Trustee is located are open, provided that such term may have a different meaning for any specified Series of Intermediate Lien Bonds if so provided by Supplemental Intermediate Lien Indenture.

"*Capital Appreciation Bonds*" means Intermediate Lien Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Intermediate Lien Indenture and is payable only upon redemption or on the maturity date of such Intermediate Lien Bonds. Intermediate Lien Bonds which are issued as Capital Appreciation Bonds but later convert to Intermediate Lien Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and thereafter shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"*Capitalized Interest*" means the amount, if any, of the proceeds received upon issuance of Intermediate Lien Bonds, which is used to pay interest on the Intermediate Lien Bonds.

"*Charter*" means the Charter of the City of Oakland, California as amended from time to time.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Regulations proposed or in effect with respect thereto.

"*Commercial Paper Note Indentures*" means, collectively, that certain Trust Indenture dated as of October 1, 1998 and that certain Trust Indenture dated as of September 1, 1999, each between the Board and the Trustee, and as the same may be supplemented and amended from time to time, along with any other trust indenture(s) pursuant to which the Board may issue commercial paper notes that rank junior and subordinate to the Intermediate Lien Bonds.

"*Construction Fund*" means any of the Construction Funds authorized to be created under the Intermediate Lien Indenture.

"*Consultant*" means any independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm or other expert recognized to be well-qualified for work of the character required and retained by the Board to perform acts and carry out the duties provided for such Consultant in the Intermediate Lien Indenture.

"*Costs*" or "*Costs of the Project*" all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and shall include, but not be limited to (1) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land from which structures may be removed; (2) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (3) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether in-house or independent, (4) costs of the Board properly allocated to a Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (5) financing expenses, including costs related to issuance of and securing of Intermediate Lien Bonds, costs of Credit Facilities, Capitalized Interest, debt service reserve funds, trustee's fees and expenses; (6) any Swap Termination Payments due in connection with a Series of Intermediate Lien Bonds, and (7) any other costs and expenses incurred by the Board with respect to planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service.

"*Costs of Issuance*" means all costs and expenses incurred by the Board in connection with the issuance of the 2021 Series H Intermediate Lien Bonds.

"*Credit Facility*" means, as applicable, a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on specified Intermediate Lien Bonds or a Series of Intermediate Lien Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Board fails to do so and such term includes any such instrument which is used to fund a Reserve Fund or provide security in lieu of a Reserve Fund.

"*Credit Provider*" means the party obligated to make payment on the Intermediate Lien Bonds under a Credit Facility.

"*Customer Facility Charge*" means a customer facility charge authorized to be imposed by the Port in accordance with §1936 of the California Civil Code or any other applicable State law.

"*DBW*" means the California Department of Boating and Waterways.

"*DBW Loans*" means loan agreements by and between the Board and DBW and any other evidences of indebtedness of the Board in favor of DBW, whether now or hereafter in effect, providing the terms and conditions for the incurrence of indebtedness secured in whole or in part by Pledged Revenues and subordinate to the lien on and security interest granted in the Pledged Revenues pursuant to the Senior Lien Indenture.

"*Debt Service Fund*" means any of the Debt Service Funds required to be created as provided by the Intermediate Lien Indenture.

"*Deputy Executive Director Financial Services*" means the Deputy Executive Director Financial Services of the Board or such other title as the Board may from time to time assign for such position, and the officer or officers succeeding to such position as certified to the Trustee by the Board.

"*DTC"* means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"*Estimated Completion Date*" means the estimated date upon which a Specified Project will have been substantially completed in accordance with the plans and specifications applicable thereto or the estimated date upon which a Specified Project is expected to have been acquired and payment therefor made, in each case, as that date shall be set forth in a certificate of an Authorized Board Representative delivered (i) at or prior to the time of issuance of the Intermediate Lien Bonds which are to finance such Project, to the Trustee and the Consultant approved by at least two (2) Authorized Board Representatives or (ii) thereafter, to the applicable Consultant approved by at least two (2) Authorized Board Representatives in accordance with the Intermediate Lien Indenture.

"*Event of Default*" means any occurrence or event specified in this APPENDIX B-1 under "THE INTERMEDIATE LIEN MASTER TRUST INDENTURE-Event of Default and Remedies."

"*Fiscal Year*" means the period of time beginning on July 1 of each given year andending on June 30 of the immediately subsequent year, or such other similar period as the Board designates as its fiscal year.

"First Supplemental Trust Indenture" means the First Supplemental Intermediate Lien Trust Indenture, dated as of October 1, 2007, by and between the Board and the Trustee.

"*Fourth Supplemental Intermediate Lien Trust Indenture*" or "*Fourth Supplemental Indenture*" means the Fourth Supplemental Intermediate Lien Trust Indenture, between the Board and the Trustee and which sets forth the terms of the 2021 Series H Intermediate Lien Bonds.

"*Government Obligations*" means (1) United States Obligations (including obligations issued or held in book-entry form) and (2) prerefunded municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (c) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated in their highest rating category by two Rating Agencies that then maintain a rating on such obligations.

"*Implemented*" means, when used with respect to a Program, a Program which has been authorized and the terms thereof approved by a resolution adopted by the Board, and the conditions to issuance, as set forth in the Intermediate Lien Indenture, have been met.

"*Intermediate Lien Bond*" or "*Intermediate Lien Bonds*" means any debt obligation of the Board issued under and in accordance with the Intermediate Lien Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Board, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and Repayment Obligations to the extent provided in the Intermediate Lien Indenture. In connection with Intermediate Lien Bonds of a Series with respect to which a Qualified Swap is in effect or proposed to be in effect, the term "Intermediate Lien Bonds" includes, collectively, both such Intermediate Lien Bonds and either such Qualified Swap or the obligations of the Board under such Qualified Swap, as the context requires; provided that the Qualified Swap is entered into concurrently with the issuance of applicable Intermediate Lien Bonds. Notwithstanding the foregoing, the Qualified Swap Provider shall not be considered to be an owner of Intermediate Lien Bonds for purposes of receiving notices, granting consents or approvals, or directing or controlling any actions, restrictions, rights, remedies or waivers hereunder, except as expressly provided herein.

"*Intermediate Lien Common Reserve Fund*" or "*Intermediate Lien Common Reserve Fund*" has the meaning ascribed to "Intermediate Lien Common Reserve Fund" in the Official Statement under "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 Series H INTERMEDIATE LIEN BONDS-Intermediate Lien Bonds Intermediate Lien Common Reserve Fund."

"*Intermediate Lien Common Reserve Fund*" means the "2007 Common Reserve Fund" created as security for the Intermediate Lien Common Reserve Fund Bonds pursuant to the First Supplemental Trust Indenture, which fund has been continued and renamed the "Intermediate Lien Common Reserve Fund" pursuant to the Third Supplemental Indenture.

"*Intermediate Lien Common Reserve Fund Bonds*" means the 2021 Series H Intermediate Lien Bonds and any other Intermediate Lien Bonds secured by the Intermediate Lien Common Reserve Fund under the terms of the Intermediate Lien Master Trust Indenture and the applicable supplemental indenture, including, without limitation, the Fourth Supplemental Intermediate Lien Trust Indenture.

"*Intermediate Lien Common Reserve Fund Requirement*" means an amount equal to the least of (a) the Average Annual Debt Service for all Intermediate Lien Common Reserve Fund Bonds then Outstanding, (b) the Maximum Aggregate Annual Debt Service for all Intermediate Lien Common Reserve Fund Bonds then Outstanding, and (c) 10% of the proceeds at their respective original issuance of all Intermediate Lien Common Reserve Fund Bonds of each Series then Outstanding; provided, however, that if, upon issuance of any Intermediate Lien Common Reserve Fund Bonds, such amount would require moneys to be credited to the Intermediate Lien Common Reserve Fund in an amount in excess of the maximum amount permitted under the Code to be then funded from the proceeds of tax-exempt bonds, the Intermediate Lien Common Reserve Fund Requirement shall mean an amount equal to the sum of the Intermediate Lien Common Reserve Fund Requirement immediately preceding such issuance of Intermediate Lien Common Reserve Fund Bonds and the maximum additional amount permitted under the Code to be then funded from the proceeds of such Intermediate Lien Common Reserve Fund Bonds for such purpose. The Intermediate Lien Common Reserve Fund Requirement shall be adjusted upon any principal payment (scheduled or unscheduled), redemption or defeasance of the Intermediate Lien Common Reserve Fund Bonds; provided that the adjusted Intermediate Lien Common Reserve Fund Requirement shall not exceed the Intermediate Lien Common Reserve Fund Requirement immediately preceding such principal payment (scheduled or unscheduled), redemption or defeasance.

"*Intermediate Lien Commercial Paper Note*" means notes of the Board with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the Board.

"*Intermediate Lien Commercial Paper Program*" means a Program authorized by the Board pursuant to which Intermediate Lien Commercial Paper Notes shall be issued and reissued from time to time, up to the Authorized Amount of such Program.

"*Intermediate Lien Indenture*" or "*Intermediate Lien Master Trust Indenture*" means the Intermediate Lien Master Trust Indenture dated as of October 1, 2007, as the same may be amended or supplemented from time to time, between the Board and the Trustee, under which the 2021 Series H Intermediate Lien Bonds are authorized and secured.

"*Intermediate Lien Notes*" means Intermediate Lien Bonds issued under the provisions of the Intermediate Lien Indenture which have a maturity of five years or less from their date of original issuance and which are not part of an Intermediate Lien Commercial Paper Program.

"*Intermediate Lien Pledged Revenues*" means Pledged Revenues after payment therefrom first of all amounts required to be paid and then due and payable under the Senior Lien Indenture for any Senior Lien Obligations and second any debt service requirements then due and payable on the DBW Loans, to the extent such funds are available under their terms and applicable law for purposes consistent with the payment of debt service on the Intermediate Lien Bonds.

"*Intermediate Lien Rebate Fund*" means any fund created by the Board pursuant to a Supplemental Intermediate Lien Indenture in connection with the issuance of the Intermediate Lien Bonds or any Series of Intermediate Lien Bonds for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts to the United States of America.

"*Investment Agreement*" means an investment agreement or guaranteed investment contract (i) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short- term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term rating categories (if the term of the Investment Agreement is three years or longer) by at least two Rating Agencies, if applicable, then maintaining a rating on any of the Intermediate Lien Bonds to be secured thereby or (ii) which investment agreement or guaranteed investment contract is fully secured by obligations described in item (a) or (b) of the definition of Permitted Investments (A) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (B) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Board, (C) subject to a perfected first lien in favor of the Trustee, and (D) free and clear from all third-party liens.

"*Liquidity Facility*" means a letter of credit, line of credit, standby purchase agreement or other financial instrument which is available to provide funds with which to purchase Intermediate Lien Bonds.

"*Liquidity Provider*" means the entity which is obligated to provide funds to purchase Intermediate Lien Bonds under the terms of a Liquidity Facility.

"*Maximum Aggregate Annual Debt Service*" means, at any point in time, the maximum debt service scheduled to be due and payable in any Fiscal Year on all Intermediate Lien Common Reserve Fund Bonds then Outstanding, during the period beginning with the then current Fiscal Year and ending with the Fiscal Year in which the last of such Intermediate Lien Common Reserve Fund Bonds mature by their terms.

"*Maximum Annual Debt Service*" means the maximum sum of the Annual DBW Loan Debt Service, the Annual Intermediate Lien Debt Service and the Annual Senior Lien Debt Service at a given point in time.

"*Net Proceeds*" means insurance proceeds received as a result of damage to or destruction of Port Facilities or any condemnation award or amounts received from the sale of Port Facilities under the threat of condemnation less expenses (including attorneys' fees and any expenses of the Trustee) incurred in the collection of such proceeds or award.

"*Net Revenues*" means, for any given period, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"*Operation and Maintenance Expenses*" means, for any given period, the total operation and maintenance expenses of the Board as determined in accordance with generally accepted accounting principles as modified from time to time, excluding any operation and maintenance expenses expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) from: (i) subsidies or grants awarded by or received from, as applicable, federal governmental entities or agencies that do not constitute Revenues, or (ii) moneys other than Intermediate Lien Pledged Revenues.

[The Fourth Supplemental Intermediate Lien Indenture amends the preceding definition. By purchase of any of the 2021 Series H Intermediate Lien Bonds, the holders of such 2021 Series H Intermediate Lien Bonds shall be deemed to have consented to such amendment. The preceding definition reflects the definition as amended.]

"*Original Issue Discount Bonds*" means Intermediate Lien Bonds which are sold at an initial public offering price of less than 95% of their face value and which are specifically designated as Original Issue Discount Bonds by the Supplemental Intermediate Lien Indenture under which such Intermediate Lien Bonds are issued.

"*Outstanding*" when used with respect to Intermediate Lien Bonds means all Intermediate Lien Bonds which have been authenticated and delivered under the Intermediate Lien Indenture, except: (a) Intermediate Lien Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby; (b) Intermediate Lien Bonds deemed to be paid in accordance with the Intermediate Lien Indenture; (c) Intermediate Lien Bonds in lieu of which other Intermediate Lien Bonds have been authenticated under the Intermediate Lien Indenture; (d) Intermediate Lien Bonds that have become due (at maturity, on redemption, or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent; (e) Intermediate Lien Bonds which, under the terms of the Supplemental Intermediate Lien Indenture pursuant to which they were issued, are deemed to be no longer Outstanding; (f) Repayment Obligations deemed to be Intermediate Lien Bonds under the Intermediate Lien Indenture to the extent such Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Intermediate Lien Bonds acquired by the Liquidity Provider; and (g) for purposes of any consent or other action to be taken by the holders of a specified percentage of Intermediate Lien Bonds under the Intermediate Lien Indenture, Intermediate Lien Bonds held by or for the account of the Board or by any person controlling, controlled by or under common control with the Board, unless such Intermediate Lien Bonds are pledged to secure a debt to an unrelated party. Notwithstanding the foregoing, the term "Outstanding", as applied to the Senior Lien Bonds, shall have the meaning given to such term in the Senior Lien Indenture. Notwithstanding the foregoing, the term "Outstanding", as applied to the DBW Loans, means all DBW Loans that have not been paid in full in accordance with the terms thereof.

"*Passenger Facility Charges*" means the passenger facility fees authorized to be imposed by the Port in accordance with 49 U.S.C. Section 40117, *et seq*. or any other applicable federal law.

"*Paying Agent*" or "*Paying Agents*" means, with respect to the Intermediate Lien Bonds or any Series of Intermediate Lien Bonds, the banks, trust companies or other financial institutions or other entities designated in a Supplemental Intermediate Lien Indenture or a resolution of the Board as the place where such Intermediate Lien Bonds shall be payable.

"*Payment Date*" means, with respect to any Intermediate Lien Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

"*Permitted Investments*" means any bonds, notes, certificates of indebtedness, bills or any other available investment, if and to the extent the same are at the time legal for investment of the Board's funds pursuant to any applicable law, and to the extent permitted under any applicable regulation, guideline and policy of the Board, each in effect from time to time.

"*Pledged Revenues*" means, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by, held by, accrued to or entitled to be received by the Board or any successor thereto from the operation and/or ownership of the Port or any of the Port Facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Board receives payments and from the investment of amounts held in the Port Revenue Fund, including, but not limited to, (1) rates, tolls, fees, rentals, charges and other payments made to or owed to the Board for the use or availability of property or facilities, (2) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Board, (3) Net Proceeds and rental or business interruption insurance proceeds, and (4) amounts held in the Port Revenue Fund, Pledged Revenues shall also include such additional revenues, if any, as are designated as Pledged Revenues under the terms of any supplemental indenture to the Senior Lien Indenture. The following are specifically excluded from Pledged Revenues: (i) any amounts received by the Board from the imposition of ad valorem taxes, (ii) gifts, grants, Passenger Facility Charges and Customer Facility Charges which are restricted by their terms to purposes inconsistent with the payment of debt service on the Senior Lien Bonds, (iii) insurance proceeds to the extent the use of such proceeds are restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Senior Lien Bonds and (iv) Special Facilities Revenues.

"*Port*" or "*Port of Oakland*" means all facilities and property, real or personal, wherever located, under the jurisdiction or control of the Board or in which the Board has other rights or from which the Board derives revenues.

"*Port Facilities*" or "*Port Facility*" means a specific facility or group of facilities or category of facilities which constitute or are part of the Port.

"*Port Revenue Fund*" means that fund created by and existing pursuant to Section 717(3) of the Charter or any successor provision.

"*Principal Amount*" or "*principal amount*" means, as of any date of calculation, (i) with respect to any Capital Appreciation Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest),
(ii) with respect to any Original Issue Discount Bond, the Accreted Value thereof, unless the Supplemental Intermediate Lien Indenture under which such Intermediate Lien Bond was issued shall specify a different amount, in which case, the terms of the Supplemental Intermediate Lien Indenture shall control and (iii)

with respect to any other Intermediate Lien Bonds, the principal amount of such Intermediate Lien Bond payable at maturity or upon scheduled mandatory redemption.

"*Program*" means an Intermediate Lien Commercial Paper Program, auction bond program or other Program pursuant to which the Board authorizes the issuance of Intermediate Lien Bonds from time to time up to an Authorized Amount and sets forth the procedures under which such Intermediate Lien Bonds shall be issued and the terms of such Intermediate Lien Bonds.

"*Project*" means any and all facilities or equipment financed in whole or in part with proceeds of Intermediate Lien Bonds.

"*Qualified Swap*" means any financial arrangement (i) that is entered into by the Board concurrently with the issuance of applicable Intermediate Lien Bonds with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the Board shall pay to such entity an amount based on the interest accruing at a fixed or a variable rate on an amount equal to the designated principal amount of Intermediate Lien Bonds Outstanding or to be Outstanding as described therein, and that such entity shall pay to the Board an amount based on the interest accruing on such principal amount at a variable or fixed rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Intermediate Lien Bonds) or that one shall pay to the other any net amount due under such arrangement; and (iii) which has been designated in writing to the Trustee by the Authorized Board Representative as a Qualified Swap with respect to such Intermediate Lien Bonds.

"*Qualified Swap Provider*" means with respect to a Qualified Swap a financial institution whose senior long term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations, are rated (at the time the subject Qualified Swap is entered into) in one of the three highest ratings categories by at least two Rating Agencies, or the equivalent thereto in the case of any successor thereto, and which is approved in writing by any bond insurer insuring payment of principal of and interest on the Series of Intermediate Lien Bonds to which such Qualified Swap relates.

"*Rating Agency*" means Moody’s, S&P or Fitch, or any other nationally recognized statistical rating organization identified as such by the United States Securities and Exchange Commission with respect to rating municipal securities.

[The Fourth Supplemental Intermediate Lien Indenture amends the preceding definition. By purchase of any of the 2021 Series H Intermediate Lien Bonds, the holders of such 2021 Series H Intermediate Lien Bonds shall be deemed to have consented to such amendment. The preceding definition reflects the definition as amended.]

"*Registrar*" means, with respect to the Intermediate Lien Bonds or any Series of Intermediate Lien Bonds, the bank, trust company or other entity designated in a Supplemental Intermediate Lien Indenture or a resolution of the Board to perform the function of Registrar under the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture, and which bank, trust company or other entity has accepted the position in accordance with the Intermediate Lien Indenture.

"*Repayment Obligations*" means an obligation arising under a written agreement of the Board and a Credit Provider pursuant to which the Board agrees to reimburse the Credit Provider for amounts paid through a Credit Facility to be used to pay debt service on any Intermediate Lien Bonds or an obligation arising under a written agreement of the Board and a Liquidity Provider pursuant to which the Board agrees to reimburse the Liquidity Provider for amounts paid through a Liquidity Facility to be used to purchase Intermediate Lien Bonds.

"*Reserve Fund*" means any Reserve Fund created by the Board pursuant to a Supplemental Intermediate Lien Indenture in connection with the issuance of any Series of Intermediate Lien Bonds for the purpose of providing additional security for such Series of Intermediate Lien Bonds; such term shall also mean any surety bond, insurance policy or other financial instrument which is provided in lieu of a funded reserve for a Series of Intermediate Lien Bonds.

"Reserve Fund Insurance Policy" means any insurance policy, letter of credit, qualified surety bond or other financial instrument that can be drawn upon with respect to all Intermediate Lien Common Reserve Fund Bonds deposited in the Intermediate Lien Common Reserve Fund in lieu of or in partial substitution for cash or securities.

"*Revenues*" means the operating revenues and interest income of the Board, for any given period, as determined in accordance with generally accepted accounting principles, as modified from time to time, but excluding (i) Special Facilities Revenues and (ii) any amounts paid to the Board pursuant to a Qualified Swap.

"*Senior Lien Bonds*" means "Bonds" as defined in the Senior Lien Indenture.

"*Senior Lien Indenture"* or *"Senior Lien Master Trust Indenture*" means that certain Amended and Restated Master Trust Indenture dated as of April 1, 2006, between the Board and U.S. Bank National Association, as trustee, as the same has been and may be amended and supplemented in accordance therewith.

"*Senior Lien Obligations*" means all amounts required to be paid and then due and payable under the Senior Lien Indenture for principal, interest, reserve fund and any other debt service requirements or related obligations on the Senior Lien Bonds.

"*Series*" means Intermediate Lien Bonds designated as a separate Series by a Supplemental Intermediate Lien Indenture and, with respect to an Intermediate Lien Commercial Paper Program, means the full Authorized Amount of such Program, regardless of when or whether issued, unless portions thereof are, by Supplemental Intermediate Lien Indenture, designated as separate Series.

"*Special Facilities Revenues*" means the contractual payments derived by the Board from a Special Facility and all other income and revenues available to the Board from such Special Facility.

"*Special Facility*" means a facility which is designated as a Special Facility under the provisions of the Intermediate Lien Indenture and, if any Senior Lien Bonds are Outstanding, under the provisions of the Senior Lien Indenture.

"*Special Obligations*" means bonds or other debt instruments which are not secured by nor payable from the Intermediate Lien Pledged Revenues, but are payable from Special Facilities Revenues.

"*Specified Project*" means a Project or a group of alternative Projects which are financed by the proceeds of Intermediate Lien Bonds and are described in a certificate of an Authorized Board

Representative delivered (i) at or prior to the time of issuance of the Intermediate Lien Bonds which are to finance such Project, to the Trustee and the Consultant approved by at least two (2) Authorized Board Representatives or (ii) thereafter, to the applicable Consultant approved by at least two (2) Authorized Board Representatives in accordance with the Intermediate Lien Indenture.

"*State*" means the State of California.

"Subordinated Obligation" means any bond or other debt instrument issued or otherwise entered into by the Board, including the commercial paper notes issued under the Commercial Paper Note Indentures, which ranks junior and subordinate to the Intermediate Lien Bonds and which may be paid from moneys constituting Intermediate Lien Pledged Revenues only if all amounts of principal and interest which have become due and payable on the Intermediate Lien Bonds whether by maturity, redemption or acceleration have been paid in full and the Board is current on all payments required to be made to replenish all Reserve Funds. In connection with any Subordinated Obligation with respect to which an interest rate swap is in effect or is proposed to be in effect, the term "Subordinated Obligation" includes, collectively, both such Subordinated Obligation and either such interest rate swap or the obligations of the Board under such interest rate swap, as the context requires, to the extent such interest swap was entered into and effective concurrent with the issuance of such Subordinated Obligation. The term "Subordinated Obligations" also includes an interest rate swap or the obligations of the Board under such interest rate swap which has been entered into in connection with a Subordinated Obligation, as the context requires, although none of the Subordinated Obligations with respect to which such interest rate swap was entered into are outstanding.

"*Supplemental Intermediate Lien Indenture*" means any document supplementing or amending the Intermediate Lien Indenture or providing for the issuance of Intermediate Lien Bonds, including the Third Supplemental Intermediate Lien Trust Indenture.

"Surety Provider" means MBIA Insurance Corporation, which is now administered by National Public Finance Guarantee Corporation, or any successor thereto.

"*Swap Termination Payment*" means an amount payable by the Board or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap.

"*Tax Certificate*" means that Tax Certificate and Agreement dated the date of issuance of the 2021 Series H Intermediate Lien Bonds executed by the Board with respect to the 2021 Series H Intermediate Lien Bonds.

"*Tender Indebtedness*" means any Intermediate Lien Bonds or portions of Intermediate Lien Bonds a feature of which is an option, on the part of the Bondholders, or an obligation, under the terms of such Intermediate Lien Bonds, to tender all or a portion of such Intermediate Lien Bonds to the Board, the Trustee, the Paying Agent or other fiduciary or agent or Credit Provider for payment or purchase and requiring that such Intermediate Lien Bonds or portions of Intermediate Lien Bonds be purchased if properly presented.

"*Trustee*" or "*Intermediate Lien Trustee*" means U.S. National Association, national banking association organized and existing under the laws of the United States of America, until a successor replaces it and, thereafter, means such successor.

"*United States Obligations*" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations and not guaranteed obligations) evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein (1) a bank or trust company acts as custodian and holds the underlying United States Obligations; (2) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (3) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

"*Variable Rate Indebtedness*" means any Intermediate Lien Bond or Intermediate Lien Bonds the interest rate on which is not, at the time in question, fixed to maturity.

THE INTERMEDIATE LIEN MASTER TRUST INDENTURE

The following is a summary of certain provisions of the Intermediate Lien Master Trust Indenture. Such summary is only a brief description of certain provisions of such document and is qualified in its entirety by reference to the full text of the Intermediate Lien Indenture.

Grant to Secure the Intermediate Lien Bonds; Pledge of Intermediate Lien Pledged Revenues

To secure the payment of the Intermediate Lien Bonds and the performance and observance by the Board of all the covenants, agreements, and conditions expressed or implied in the Intermediate Lien Indenture or contained in the Intermediate Lien Bonds, the Board pledges and assigns to the Trustee and grants to the Trustee a lien on and security interest in all right, title and interest of the Board in and to all of the following: (a) the Intermediate Lien Pledged Revenues, (b) all moneys and securities (excluding moneys and securities on deposit in any Intermediate Lien Rebate Fund) held by the Trustee under the Intermediate Lien Indenture and moneys and securities held in any Construction Fund whether or not held by the Trustee, (c) earnings on amounts included in provisions (a) and (b) above and (d) any and all other funds, assets, rights, property or interests therein which may be sold, transferred, conveyed, assigned, pledged, mortgaged, granted or delivered to or deposited with the Trustee as additional security under the Intermediate Lien Indenture, for the equal and proportionate benefit and security of all Intermediate Lien Bonds, all of which, regardless of the time of their authentication and delivery or maturity, shall, with respect to the security provided by the Intermediate Lien Indenture, be of equal rank without preference, priority or distinction as to any Intermediate Lien Bond over any other Intermediate Lien Bond, except as to the timing of payment of the Intermediate Lien Bonds. Such pledge, lien and security interest (1) shall be junior and subordinate first to the pledge of the Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds to satisfy the Senior Lien Obligations, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder but (2) shall be senior to the pledge of the Available Pledged Revenues and the lien created thereon by the Commercial Paper Note Indentures and the commercial paper notes issued by the Board thereunder. Notwithstanding any statements to the contrary, any Reserve Fund created by a Supplemental Intermediate Lien Indenture and any other security or Credit Facility provided for specific Intermediate Lien Bonds or one or more specific Series of Intermediate Lien Bonds may, as provided by Supplemental Intermediate Lien Indenture, secure only such specific Intermediate Lien Bonds or Series of Intermediate Lien Bonds and shall not be included as security for all Intermediate Lien Bonds under the Intermediate Lien Indenture and moneys and securities held in trust exclusively for specific Intermediate Lien Bonds which have become due and payable and moneys and securities which are held exclusively to pay specific Intermediate Lien Bonds which are deemed to have been paid under the Intermediate Lien Indenture shall be held solely for the payment of such specific Intermediate Lien Bonds.

The Board represents and states that, except with respect to the Pledged Revenues and the liens created thereon in connection with the Senior Lien Indenture and the DBW Loans, it has not previously created any charge or lien on or any security interest in the Intermediate Lien Pledged Revenues that is senior to or in parity with the Intermediate Lien Bonds. Except with respect to the Pledged Revenues and the liens created thereon in connection with the Senior Lien Indenture (and any Senior Lien Bonds issued or to be issued thereunder) and the DBW Loans, the Board covenants that, until all the Intermediate Lien Bonds authorized and issued under the provisions of the Intermediate Lien Indenture and the interest thereon shall have been paid or be deemed to have been paid, it will not grant any prior or parity pledge of or any security interest in the Intermediate Lien Pledged Revenues or any of the other security which is pledged pursuant to the Intermediate Lien Indenture, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Intermediate Lien Bonds Outstanding under the Intermediate Lien Indenture. The Board is permitted to grant a lien on or security interest in the Intermediate Lien Pledged Revenues to secure Subordinated Obligations.

Receipt and Deposit of Intermediate Lien Pledged Revenues - Port Revenue Fund

The Board covenants and agrees that all Intermediate Lien Pledged Revenues, when and as received, will be deposited by the Board pursuant to the Act in the Port Revenue Fund in the City Treasury and will be accounted for through the Port Revenue Fund. The Board will notify the City Treasurer of the pledge of, lien on, and interest in Pledged Revenues granted by the Intermediate Lien Master Trust Indenture and will instruct the City Treasurer that all such Pledged Revenues shall be accounted for separate and apart from all other moneys, funds, accounts or other resources of the Board or the City.

Repayment Obligations

If a Credit Provider or Liquidity Provider pays principal on an Intermediate Lien Bond or advances funds to purchase Intermediate Lien Bonds, all or a portion of the Board's Repayment Obligation may be afforded the status of an Intermediate Lien Bond issued under the Intermediate Lien Indenture. The Credit Provider or Liquidity Provider will be deemed to be the Bondholder, and such Intermediate Lien Bond will be deemed to have been issued as of the date of the applicable Intermediate Lien Bond for which the Credit Facility or Liquidity Facility was originally provided. Interest on the Intermediate Lien Bonds deemed to be held by the Credit Provider or Liquidity Provider shall be deemed to be payable semiannually at the rate of interest applicable to the repayment obligation. Payments of principal of the Intermediate Lien Bonds deemed to be held by the Credit Provider or Liquidity Provider shall be deemed to be payable annually and amortized on a substantially level annual debt service basis over a period of: (i) 25 years or (ii) (a) if shorter, a term extending to the final maturity of the enhanced Intermediate Lien Bonds for which the Credit Facility or Liquidity Facility was provided or and (b) if later, the final maturity of the Repayment Obligation. Any amount that comes due on a Repayment Obligation by its terms, which is in excess of the amount treated as principal of and interest on an Intermediate Lien Bond, shall be a Subordinated Obligation of the Board.

Obligations Under Qualified Swap

The obligation of the Board to make scheduled payments under a Qualified Swap with respect to a Series of Intermediate Lien Bonds shall be on a parity with the obligation of the Board to make payments with respect to such Series of Intermediate Lien Bonds and other Intermediate Lien Bonds under the Intermediate Lien Indenture, except as otherwise provided by a Supplemental Intermediate Lien Indenture or in the following paragraph. Such scheduled payments under a Qualified Swap shall be secured by a pledge of and lien on the Intermediate Lien Pledged Revenues on a parity with the Intermediate Lien Bonds of such Series and all other Intermediate Lien Bonds, regardless of the principal amount, if any, of the Intermediate Lien Bonds of such Series remaining Outstanding.

Notwithstanding any statements to the contrary, in the event that a Swap Termination Payment or any amounts other than as described in the preceding paragraph are due and payable by the Board under a Qualified Swap, such Swap Termination Payment and any such other amounts shall constitute a Subordinated Obligation under the Intermediate Lien Indenture unless otherwise provided by a Supplemental Intermediate Lien Indenture.

Payment of Principal and Interest

Under the Intermediate Lien Indenture, the Board covenants and agrees that it will duly and punctually pay or cause to be paid from the Intermediate Lien Pledged Revenues the principal of, premium, if any, and interest on every Intermediate Lien Bond, at the place and on the dates and in the manner in the Intermediate Lien Indenture, in the Supplemental Intermediate Lien Indentures and in the Intermediate Lien Bonds specified, and that it will faithfully do and perform all covenants and agreements in the Intermediate Lien Indenture and in the Intermediate Lien Bonds contained, provided that the Board's obligation to make payment of the principal of, premium, if any, and interest on the Intermediate Lien Bonds shall be limited to payment from the Intermediate Lien Pledged Revenues, the funds and accounts pledged therefor in the Intermediate Lien Indenture and any other source which the Board may specifically provide for such purpose and no Bondholder shall have any right to force payment from any other funds of the Board.

Rate Covenant

The Fourth Supplemental Intermediate Trust Indenture amends the provision relating to the Rate Covenant. By purchase of any 2021 Series H Intermediate Lien Bonds, the holders of such 2021 Series H Intermediate Lien Bonds shall be deemed to have consented to such amendment. The provision summarized below is the provision as amended.

The Board will, at all times while any of the Intermediate Lien Bonds remain Outstanding, establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection therewith, so that Pledged Revenues in each Fiscal Year will be at least sufficient to pay the following amounts:

(i) any Senior Lien Obligations as the same become due and payable provided that any interest on and principal of any Outstanding Senior Lien Bonds may be reduced by the amount of any security pledged thereto that will be available for debt service payment in addition to the Pledged Revenues during the year as set forth in the applicable supplement to the Senior Lien Indenture;

(ii) any payment obligations under the DBW Loans as the same become due and payable by the Board in such year;

(iii) the principal of and interest on the Outstanding Intermediate Lien Bonds as the same become due and payable by the Board in such year provided that any interest on and principal of any Outstanding Intermediate Lien Bonds may be reduced by the amount of any security pledged thereto that will be available for debt service payment in addition to the Intermediate Lien Pledged Revenues during the year as set forth in the applicable Supplemental Intermediate Lien Indenture;

(iv) all other payments required for compliance with the Intermediate Lien Indenture and any Supplemental Intermediate Lien Indenture including, but not limited to, the required deposits to any Reserve Fund, which may be established;

(v) all other payments necessary to meet ongoing legal obligations to be paid at that time from Pledged Revenues; and

(vi) all current Operation and Maintenance Expenses of the Port.

The Board further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues will be equal to at least 110% of the actual debt service becoming due and payable by the Board on Outstanding Intermediate Lien Bonds, Outstanding Senior Lien Bonds and Outstanding DBW Loans in such year less (i) debt service paid in such year from the proceeds of other borrowings, (ii) debt service paid in such year from Capitalized Interest, (iii) the amount of any security pledged to such Intermediate Lien Bonds or to such Senior Lien Bonds that will be available for debt service payment in addition to, as appropriate, the Intermediate Lien Pledged Revenues or the Pledged Revenues during the year as set forth in the applicable Supplemental Intermediate Lien Indenture or the applicable supplement to the Senior Lien Indenture and (iv) debt service paid in such year from any other amounts not included in Revenues.

Notwithstanding any statements to the contrary, if the Board violates either covenant set forth above, such violation shall not be a default under the Intermediate Lien Indenture and shall not give rise to a declaration of an Event of Default if, within 360 days after the date such violation is discovered, (1) the Board obtains recommendations from a Consultant as to the revision of rates, tolls, fees, rentals and charges necessary to produce Pledged Revenues or Net Revenues (as applicable) sufficient to cure such violation and (2) the Board revises the rates, tolls, fees, rentals and charges and Operation and Maintenance Expenses insofar as practicable so as to produce Pledged Revenues or Net Revenues (as applicable) to cure such violation.

Requirements for Additional Permitted Prior Lien Obligations

The Board agrees that so long as any Intermediate Lien Bonds are Outstanding, it (i) will not adopt a resolution determining that Intermediate Lien Pledged Revenues be used to pay general obligation bonds of the City and (ii) will not issue any additional bonds or other obligations with a lien on or security granted in Intermediate Lien Pledged Revenues which is senior to the Intermediate Lien Bonds, except for Senior Lien Bonds and DBW Loans.

Further, the Board shall not incur any additional DBW Loans, unless there shall first be delivered to the Trustee either:

(a) a certificate prepared by an Authorized Board Representative showing that the Net Revenues for any 12 consecutive months out of the 24 consecutive months immediately preceding the incurrence of the proposed additional DBW Loan were at least equal to 110% of the Maximum Animal Debt Service for all of the Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans that will be Outstanding and all of the Intermediate Lien Bonds and the Senior Lien Bonds that will be Authorized immediately after the incurrence of the proposed additional DBW Loan, or

(b) a certificate prepared by a Consultant approved by at least two (2) Authorized Board Representatives showing that:

(i) for each Fiscal Year during the period from the date of delivery of such certificate until the latest Estimated Completion Date, the Consultant estimates that the Board will be in compliance with the rate covenant of the Intermediate Lien Indenture; and

(ii) the estimated Net Revenues for each of the three (3) Fiscal Years immediately following the last estimated date of substantial completion for the projects to be financed with proceeds of such additional DBW Loan, as certified to the Consultant by an Authorized Board Representative, will be at least equal to 110% of the Maximum Annual Debt Service for all of the Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans that will be Outstanding and all of the Intermediate Lien Bonds and the Senior Lien Bonds that will be Authorized after the incurrence of the proposed additional DBW Loan.

Subordinated Obligations

The Board may incur indebtedness which is subordinate to the Intermediate Lien Bonds, which is the Subordinated Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Board shall determine, provided that any lien on or security interest granted in the Intermediate Lien Pledged Revenues or other assets securing the Intermediate Lien Bonds shall be specifically stated to be junior and subordinate to the lien on and security interest in such Intermediate Lien Pledged Revenues and other assets granted to secure the Intermediate Lien Bonds and the Board's obligations under the Intermediate Lien Indenture, and payment of principal of and interest on such Subordinated Obligations shall be permitted, provided that all deposits required to be made to the Trustee to be used to pay debt service on the Intermediate Lien Bonds or to replenish the Reserve Funds are then current.

Special Facilities and Special Obligations

The Board may (i) designate a separately identifiable facility as a "Special Facility," (ii) incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing to a third party to acquire, construct, renovate or improve such facility, (iii) provide that the contractual payments derived from such Special Facility together with other income and revenues available to the Board from such Special Facility be Special Facilities Revenues and not included as Pledged Revenues or Intermediate Lien Pledged Revenues and (iv) provide that the debt so incurred shall be a "Special Obligation" and the principal of and interest and premium, if any, thereon shall be payable solely from the Special Facilities Revenues, The Board may refinance any such Special Obligation with other Special Obligations.

The Special Obligations shall be payable as to principal, redemption premium, if any, and interest solely from Special Facilities Revenues which shall include contractual payments derived by the Board under and pursuant to a contract relating to the Special Facility by and between the Board and another person, firm or corporation, either public or private, as shall undertake the operation of the Special Facility.

No Special Obligations shall be issued by the Board unless a certificate of an Authorized Board Representative has been filed with the Trustee stating that the estimated Special Facilities Revenues of or pledged to the payment of obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Obligations when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Board and all sinking fund, reserve or other payments required by the resolution authorizing the Special Obligations as the same become due, the estimated Pledged Revenues and Net Revenues calculated without including the Special Facilities Revenues and without including any operation and maintenance expenses of the Special Facility as Operation & Maintenance Expenses will be sufficient so that the Board will be in compliance with the Intermediate Lien Indenture during each of the five Fiscal Years immediately following such disposition and no Event of Default then exists under the Intermediate Lien Indenture.

To the extent Special Facilities Revenues during any Fiscal Year shall exceed the amounts required to be paid for such Fiscal Year, such excess Special Facilities Revenues shall be deposited into the Port Revenue Fund and shall constitute Intermediate Lien Pledged Revenues to the extent such revenues are available and for purposes consistent with the payment of debt service on the Intermediate Lien Bonds after payment therefrom first of all amounts required to be paid and then due and payable on the Senior Lien Obligation and second of any debt service or requirement then due and payable on any DBW Loans.

At such time as the Special Obligations issued for a Special Facility including Special Obligations issued to refinance Special Obligations are fully paid or otherwise discharged, all revenues of the Board from such facility shall be included as Intermediate Lien Pledged Revenues to the extent such revenues are available and for purposes consistent with the payment of debt service on the Intermediate Lien Bonds after payment therefrom first on all amounts required to be paid and then due and payable on the Senior Lien Obligation and second of any debt service or requirement then due and payable on any DBW Loans.

Obligations Secured by Other Revenues

The Board may incur indebtedness payable solely from certain Revenues which do not constitute Intermediate Lien Pledged Revenues at such times and upon such terms and conditions as the Board shall determine, provided that such indebtedness shall specifically include a provision that payment of such indebtedness is neither secured by nor payable from Intermediate Lien Pledged Revenues. The Board may also, from time to time, incur indebtedness payable from and secured by both Intermediate Lien Pledged Revenues and certain Revenues which do not constitute Intermediate Lien Pledged Revenues at such times and upon such terms and conditions as the Board shall determine, provided that the conditions set forth in the Intermediate Lien Indenture for the issuance of indebtedness payable from and secured by Intermediate Lien Pledged Revenues are met.

Withdrawals from Port Revenue Fund

To the extent the funds are available in the Port Revenue Fund after making any payment then due under the Senior Lien Indenture and the DBW Loans, the Board, at least one Business Day prior to each Payment Date, shall withdraw from the Port Revenue Fund and pay to the Trustee the full amount required to make the interest and/or principal payments due on such Payment Date.

On any day on which the Trustee receives funds from the Board to be used to pay principal of or interest on Intermediate Lien Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the Debt Service Funds for the Series of Intermediate Lien Bonds for which such payments were made. If, on any Payment Date, the Trustee does not have sufficient amounts in the Debt Service Funds (without regard to any amounts which may be available from Reserve Funds) to pay in full all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day (without regard to any amounts in the various Reserve Funds) as follows: first to the payment of interest then due on the Intermediate Lien Bonds and, if the amount available shall not be sufficient to pay in full all interest on the Intermediate Lien Bonds then due, then pro rata among the Series according to the amount of interest then due and second to the payment of principal then due on the Intermediate Lien Bonds and, if the amount available shall not be sufficient to pay in full all principal on the Intermediate Lien Bonds then due, then pro rata among the Series according to the Principal Amount then due on the Intermediate Lien Bonds. Notwithstanding the foregoing, no amount from any moneys which are restricted to purposes inconsistent with the payment of debt service on any Intermediate Lien Bonds shall be used for such deposit and the Trustee shall accordingly adjust any proration as set forth in a written instruction from the Board.

If a Reserve Fund (or a Credit Facility provided in lieu thereof) has been used to make payments on Intermediate Lien Bonds secured thereby, then the Board may be required by Supplemental Intermediate Lien Indenture to replenish such Reserve Fund or Reserve Funds or reimburse the Credit Provider or Liquidity Provider from Intermediate Lien Pledged Revenues provided that (1) no amount from Intermediate Lien Pledged Revenues may be used for such purpose until all payments of principal or and interest on all Intermediate Lien Bonds which have become due and payable shall have been paid in full, (2) the required payments to replenish any Reserve Fund or reimburse the Credit Provider shall be due in no less than 12 substantially equal monthly installments commencing in the month following any such withdrawal and (3) if the aggregate amount of payments due on any date to replenish the Reserve Fund exceeds the amount available for such purpose; the payments made to the Trustee for such purpose shall be deposited into the Reserve Fund. Notwithstanding the foregoing, no amount from any moneys which are restricted to purposes inconsistent with the payment of debt service on any Intermediate Lien Bonds shall be used for such payment and the Trustee shall accordingly adjust any deposits into any Reserve Fund or Funds as set forth in written instruction from the Board; provided that the Board shall notify the Trustee of such restrictions.

Notwithstanding anything to the contrary, the Board may, by Supplemental Intermediate Lien Indenture, provide for different provisions and timing of deposits with the Trustee and different methods of paying principal of or interest on Intermediate Lien Bonds depending upon the terms of such Intermediate Lien Bonds and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the Debt Service Fund.

Maintenance and Operation of Port

The Board covenants in the Intermediate Lien Indenture that the Port shall at all times be operated and maintained in good working order and condition and that all lawful orders of any governmental agency or authority having jurisdiction in the premises shall be complied with (provided the Board shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith), and that all licenses and permits necessary to construct or operate any of the Port Facilities shall be obtained and maintained and that all necessary repairs, improvements and replacements of the facilities constituting the Port shall be made, subject to sound business judgment. The Board will, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Board, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Port Facilities or upon any part thereof, or upon the Intermediate Lien Pledged Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Intermediate Lien Pledged Revenues or the Port Facilities or any part thereof constituting the Port.

Insurance; Application of Insurance and Condemnation Proceeds

Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions: the Board will procure and maintain or cause to be procured and maintained insurance with respect to the facilities constituting the Port and public liability insurance, in each case, in such amounts and against such risks as are, in the judgment of the Board, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance provided by similar ports; and the Board will place on file with the Trustee annually within 120 days after the close of each Fiscal Year a certificate of an Authorized Board Representative containing a summary of all insurance policies then in effect with respect to the Port and the operations of the Board.

If, as a result of any event, (1) one or more Port Facilities are destroyed or severely damaged and (2) such facilities were financed with the proceeds of any Intermediate Lien Bonds the interest on which is then excluded from gross income for federal income tax purposes, the Net Proceeds received as a result of such event of damage or destruction shall be used as provided in the applicable tax and non-arbitrage certificate or as otherwise advised by Bond Counsel."

Transfer of Port Facilities

The Board shall not, except as permitted below, transfer, sell or otherwise dispose of Port Facilities. For purposes described in this section, any transfer of an asset over which the Board retains or regains substantial control shall not, for so long as the Board has such control, be deemed a disposition of Port Facilities. Further, any lease, license, concession or similar arrangement entered into by the Board and granting others the right to use Port Facilities for any period in exchange for fair market value, as evidenced by a certificate of an Authorized Board Representative, shall not be deemed a transfer, sale, or disposition of Port Facilities for purposes described in this section.

The Board may transfer, sell or otherwise dispose of Port Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out; or

(b) The property proposed to be disposed of and all other Port Facilities disposed of in related transactions during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion of the Port determined as described below and the proceeds thereof are deposited into the Port Revenue Fund to be used as described below; or

(c) The Board receives fair market value for the property, as evidenced by a certificate of an Authorized Board Representative, the proceeds thereof are deposited into the Port Revenue Fund to be used for any lawful purpose and, prior to the disposition of such property, there is delivered to the Trustee a certificate of a Consultant approved by an Authorized Board Representative to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Board as evidenced by a certificate of an Authorized Board Representative, the Consultant estimates that the Board will be in compliance with the rate covenant of the Intermediate Lien Indenture during each of the five Fiscal Years immediately following such disposition.

Term "Significant Portion" of the Port Facilities means Port Facilities which, if such facilities had been disposed of by the Board at the beginning of the Fiscal Year which includes the month of commencement of the 12 month period referred to in (b) above would have resulted in a reduction in Pledged Revenues for such Fiscal Year of more than 10% when the actual Pledged Revenues for such Fiscal Year are decreased by the Pledged Revenues directly attributable to such Port Facilities.

Port Facilities which were financed with the proceeds of any Intermediate Lien Bonds the interest on which is then excluded from gross income for federal income tax purposes shall not be disposed of, except under the terms of provision (a) above, unless the Board has first received an opinion of Bond Counsel to the effect that such disposition will not cause the interest on such Intermediate Lien Bonds to become includable in gross income for federal income tax purposes and the proceeds of such disposition shall be used as provided in the applicable tax and non- arbitrage certificate or as otherwise advised by Bond Counsel. This paragraph shall be applied without regard to the second sentence of this Section.

No such disposition shall be permitted which would cause the Board to be in default of any other covenant contained in this Intermediate Lien Indenture.

Eminent Domain

If (1) one or more Port Facilities that produce any Intermediate Lien Pledged Revenues are taken by eminent domain proceedings or conveyance in lieu thereof, and (2) such facilities were financed with the proceeds of any Intermediate Lien Bonds the interest on which is then excluded from gross income for federal income tax purposes, the Net Proceeds received as a result of such eminent domain proceedings or conveyance in lieu thereof shall be used as provided in the applicable tax and non-arbitrage certificate or as otherwise advised by Bond Counsel.

Investments

Moneys held by the Trustee in the funds and accounts created under any Supplemental Intermediate Lien Indenture shall be invested and reinvested as directed by the Board in Permitted Investments subject to the restrictions set forth in such Supplemental Intermediate Lien Indenture and subject to the investment restrictions imposed upon the Board by laws of the State. Earnings on the various funds and accounts created under a Supplemental Intermediate Lien Indenture shall be deposited into the Port Revenue Fund, except that (i) during the continuation of an Event of Default earnings on such funds and accounts shall be deposited into the Debt Service Funds created under the respective Supplemental Intermediate Lien Indentures, (ii) earnings on the Construction Funds may, if so provided by Supplemental Intermediate Lien Indenture, be retained in such Construction Fund, and (iii) earnings on Reserve Funds may be retained in such funds or transferred to one or more different funds or accounts as provided in the applicable Supplemental Intermediate Lien Indenture.

The Trustee may make any investments under the Intermediate Lien Indenture through its own investment department or those of its parent or its affiliates. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Intermediate Lien Indenture. The Trustee shall not be liable for any loss from any investment made by the Trustee in accordance with the provisions of the Intermediate Lien Indenture.

Defeasance

The Intermediate Lien Bonds or portions thereof which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the benefits of the Intermediate Lien Indenture except for the purposes of payment from moneys or Government Obligations held by the Trustee or a Paying Agent for such purpose. When all Intermediate Lien Bonds have been paid in full or are deemed to have been paid in full, and all other sums payable under the Intermediate Lien Indenture by the Board, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar and the Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the Intermediate Lien Pledged Revenues and the other assets pledged to secure such Intermediate Lien Bonds shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release the Intermediate Lien Indenture.

An Intermediate Lien Bond shall be deemed to be paid when payment of the principal, interest and premium, if any, either (a) shall have been made or caused to be made in accordance with the terms of such Intermediate Lien Bond and the Intermediate Lien Indenture or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (i) moneys sufficient to make such payment and/or (ii) noncallable Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment; provided, however, that no deposit under clause (b) shall be deemed a payment of such Intermediate Lien Bonds (x) until proper notice of redemption of such Intermediate Lien Bond shall have been given or, in the event, under the terms of such Supplemental Intermediate Lien Indenture, the date for giving such notice of redemption has not yet arrived, until the Board shall have given the Trustee irrevocable instructions to give such notice of redemption when appropriate and to notify all holders of the affected Intermediate Lien Bond that the deposit required by (b) above has been made with the Trustee and that such Intermediate Lien Bond is deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on such Intermediate Lien Bond or (y) the maturity of such Intermediate Lien Bonds.

Events of Default and Remedies

Events of Default. Each of the following events is defined in the Intermediate Lien Indenture to constitute an "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any of the Intermediate Lien Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Intermediate Lien Bonds when such interest shall become due and payable;

(c) a failure to pay the purchase price of any Intermediate Lien Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in the Intermediate Lien Bond;

(d) a failure by the Board to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) above) contained in the Intermediate Lien Bonds or in the Intermediate Lien Indenture on the part of the Board to be observed or performed, which failure shall continue for a period of 180 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Trustee as provided in the Intermediate Lien Indenture, unless an extension of such period prior to its expiration has been granted; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Intermediate Lien Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Board within such period and is being diligently pursued;

(e) the occurrence of certain bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings instituted by or against the Board;

(f) the occurrence of any other Event of Default as is provided in a Supplemental Intermediate Lien Indenture.

No Right to Acceleration; Remedies. The Intermediate Lien Bonds are not subject to acceleration upon the occurrence of any Event of Default.

Upon the occurrence of any Event of Default and continuance of an Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the Principal Amount of the applicable Intermediate Lien Bonds then Outstanding and receipt of indemnity to its satisfaction, shall:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Board to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act or any other law to which it is subject and the Intermediate Lien Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Intermediate Lien Indenture;

(ii) bring suit upon the applicable Intermediate Lien Bonds;

(iii) commence an action or suit in equity to require the Board to account as if it were the trustee of an express trust for the Bondholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Bondholders' Right to Direct Proceedings: Holders of a majority in Principal Amount of the applicable Intermediate Lien Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Intermediate Lien Indenture to be taken in connection with the enforcement of the terms of the Intermediate Lien Indenture or exercising any trust or power conferred on the Trustee by the Intermediate Lien Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and the Intermediate Lien Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Limitation on Right to Institute Proceedings. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Intermediate Lien Indenture, or any other remedy under the Intermediate Lien Indenture or on such Intermediate Lien Bonds, unless each of the following conditions has been satisfied: (a) such Bondholder or Bondholders shall have previously given to the Trustee written notice of an Event of Default, (b) holders of 25% or more of the Principal Amount of the Intermediate Lien Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to institute such suit, action or proceeding shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and (c) there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time. All suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Intermediate Lien Indenture and for the equal benefit of all Bondholders.

The Trustee

Standard of Care. The Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that: (1) the Trustee shall not be liable for any error of judgment made in good faith by an officer unless the Trustee was negligent in ascertaining the pertinent facts; and (2) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders or the Board in the manner provided in the Intermediate Lien Indenture.

Notice of Defaults. If (i) an Event of Default has occurred or (ii) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and such notice has been given to the Board with respect to such events for which notice is required before such events become Events of Default, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (ii) give notice thereof to each Bondholder. Except in the case of a default in payment or purchase of any Intermediate Lien Bond, the Trustee may withhold the notice if and so long as a committee of its officers in good faith determines that withholding such notice is in the interest of the Bondholders.

Bondholders' Indemnity of Trustee. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Intermediate Lien Indenture at the request or direction of any of the holders of the Intermediate Lien Bonds, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by the Trustee in compliance with such request on direction.

Eligibility of Trustee. The Intermediate Lien Indenture shall always have a Trustee that is a trust company or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State of California, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Replacement; Successor. The Trustee may resign by notifying the Board in writing at least 180 days (or earlier with the Board's consent and the appointment of a successor Trustee) prior to the proposed effective date of the resignation. The holders of a majority in Principal Amount of the applicable Intermediate Lien Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee, in each case, with the Board's consent. The Board may remove the Trustee, by written notice delivered to the Trustee 180 days prior to the proposed removal date; provided, however, that the Board shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the Board. Immediately thereafter, the retiring Trustee, in each case, shall transfer all property held by it as Trustee to the successor

Trustee, the resignation or removal of the retiring Trustee shall have all the rights, powers and duties of the Trustee under the Intermediate Lien Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under the Intermediate Lien Indenture, the Board shall promptly appoint a successor Trustee. If a Trustee is not performing its duties under the Intermediate Lien Indenture and a successor Trustee does not take office within 180 days after the retiring Trustee delivers notice of resignation or the Board delivers notice of removal, the retiring Trustee, the Board or the holders of a majority in Principal Amount of the applicable Intermediate Lien Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee consolidates with, mergers or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation and meets the qualifications set forth in the Intermediate Lien Indenture, the resulting, surviving or transferee corporation shall be the successor Trustee upon written notice to the Board.

Accounting Records and Reports of the Trustee. The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Intermediate Lien Bonds and all funds and accounts established pursuant to the Intermediate Lien Indenture. Such records shall be available for inspection by the Board on each Business Day during reasonable hours and under reasonable circumstances. The Trustee shall annually, within a reasonable period after the end of the Fiscal Year, furnish to the Board and to each Bondholder who shall have filed his name and address with the Trustee for such purpose (at such Bondholder's cost) a financial statement (which need not be audited) covering receipts, disbursements, allocation and application of Intermediate Lien Bond proceeds, Intermediate Lien Pledged Revenues and any other moneys in any of the funds and accounts established pursuant to the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture for the preceding year.

Amendments

Amendments Without Consent of Bondholders. The Board may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Intermediate Lien Indentures supplementing and/or amending the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture as follows:

(a) to provide for the issuance of a Series or multiple Series of Intermediate Lien Bonds and to set forth the terms of such Intermediate Lien Bonds and the special provisions which shall apply to such intermediate Lien Bonds;

(b) to cure any formal defect, omission, inconsistency, or ambiguity in, or answer any questions arising under the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the Board in the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Board, provided such supplement or amendment shall not materially adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Trustee in and to the Intermediate Lien Pledged Revenues or in and to the funds and accounts held by the Trustee or in and to any other moneys, securities or funds of the Board provided pursuant to the Intermediate Lien Indenture or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any Series of Intermediate Lien Bonds if such changes are authorized by the Supplemental Intermediate Lien Indenture at the time the Series of Intermediate Lien Bonds is issued and such change is made in accordance with the terms of such Supplemental Intermediate Lien Indenture;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(g) to provide for uncertificated Intermediate Lien Bonds or for the issuance of coupons and bearer Intermediate Lien Bonds or Intermediate Lien Bonds registered only as to principal;

(h) to qualify the Intermediate Lien Bonds or a Series of Intermediate Lien Bonds for a rating or ratings by Moody's, Fitch and/or S&P;

(i) to accommodate the technical, operational and structural features of Intermediate Lien Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Board deems appropriate to incur;

(j) to accommodate the use of a Credit Facility or Liquidity Facility for specific Intermediate Lien Bonds or a specific Series of Intermediate Lien Bonds;

(k) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Intermediate Lien Bonds, including, without limitation, the segregation of Intermediate Lien Pledged Revenues into different funds;

(l) to modify, alter, amend or supplement the Intermediate Lien Indenture or any Supplemental Intermediate Lien Indenture in any other respect which is not materially adverse to the Bondholders.

Before the Board shall, without Bondholder consent, execute any Supplemental Intermediate Lien Indenture, there shall have been delivered to the Board an opinion or opinions of Bond Counsel to the effect that such Supplemental Intermediate Lien Indenture is authorized or permitted by the Intermediate Lien Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Board in accordance with its terms and will not cause interest on any of the Intermediate Lien Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

Amendments With Consent of Bondholders. Except for any amendments described above and any amendments affecting less than all Series of Intermediate Lien Bonds as described in the following paragraph, the holders of not less than 51% in aggregate Principal Amount of the applicable Intermediate Lien Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Board of any Supplemental Intermediate Lien Indenture deemed necessary or desirable by the

Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Intermediate Lien Indenture or in a Supplemental Intermediate Lien Indenture; provided, however, that unless approved in writing by the holders of all such Intermediate Lien Bonds then Outstanding or unless such change affects less than all Series of Intermediate Lien Bonds and the following paragraph is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Intermediate Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Intermediate Lien Bonds or the rate of interest thereon; and provided that nothing contained in the Intermediate Lien Indenture, including the paragraph below, shall, unless approved in writing by the holders of all such Intermediate Lien Bonds then Outstanding, permit or be construed as permitting (x) the creation of a lien (except as expressly permitted by the Intermediate Lien Indenture) upon or pledge of the Intermediate Lien Pledged Revenues created by the Intermediate Lien Indenture, ranking prior to or on a parity with the claim created by the Intermediate Lien Indenture, (y) except with respect to additional security which may be provided for a particular Series of Intermediate Lien Bonds, a preference or priority of any Intermediate Lien Bond or Intermediate Lien Bonds over any other Intermediate Lien Bond or Intermediate Lien Bonds with respect to the security granted therefor, or (z) a reduction in the aggregate Principal Amount of Intermediate Lien Bonds the consent of the Bondholders of which is required for any such Supplemental Intermediate Lien Indenture.

The Board may, from time to time, execute a Supplemental Intermediate Lien Indenture which amends the provisions of an earlier Supplemental Intermediate Lien Indenture under which a Series or multiple Series of Intermediate Lien Bonds were issued. If such Supplemental Intermediate Lien Indenture contains provisions which affect the rights and interests of less than all Series of Intermediate Lien Bonds Outstanding for purposes other than those set forth under "Amendments Without Consent of Bondholders," then the holders of not less than 51% in aggregate Principal Amount of the applicable Intermediate Lien Bonds of all Series which are affected by such changes shall have the right to consent to any Supplemental Intermediate Lien Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in such Supplemental Intermediate Lien Indenture and affecting only the Intermediate Lien Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Intermediate Lien Bonds of all the affected Series then Outstanding, nothing shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Intermediate Lien Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Intermediate Lien Bonds of such Series or the rate of interest thereon.

Rights of Credit Provider

The Intermediate Lien Indenture states that if a Credit Facility is provided for a Series of Intermediate Lien Bonds or for specific Intermediate Lien Bonds, the Board may by Supplemental Intermediate Lien Indenture provide to the Credit Provider (1) the right to make request of, direct or consent to the actions of the Trustee or to otherwise direct proceedings under the Intermediate Lien Indenture to the same extent and in place of the owners of the Intermediate Lien Bonds which are secured by the Credit Facility, (2) the right to act in place of the owners of such Intermediate Lien Bonds which are secured by the Credit Facility for purposes of removing a Trustee or appointing a Trustee, (3) the right to consent to execution and delivery of any Supplemental Intermediate Lien Indenture under the Intermediate Lien Indenture to the same extent and in place of the Bondholders of the Intermediate Lien Bonds that are secured by such Credit Facility and to be deemed to be the Bondholder of such Intermediate Lien Bonds for the said purposes; provided that with respect to any amendment to the Intermediate Lien Indenture or a Supplemental Intermediate Lien Indenture as described in the Intermediate Lien Indenture, the consent of the actual applicable Bondholders shall be required in addition to any consent of Credit Provider that may be required with respect to the applicable Intermediate Lien Bonds.

Additional Intermediate Lien Bonds

Additional Intermediate Lien Bonds may be issued under the Intermediate Lien Indenture on a parity with all other Intermediate Lien Bonds; provided that, among other things, there shall be delivered to the Trustee either:

(a) a certificate prepared by an Authorized Board Representative showing that the Net Revenues for any 12 consecutive months out of the 24 consecutive months preceding the issuance of the proposed Series or Intermediate Lien Bonds of a Program were at least equal to 110% of the Maximum Annual Debt Service for all of the Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans that will be Outstanding and all of the Intermediate Lien Bonds and the Senior Lien Bonds that will be Authorized immediately after the issuance of the proposed Series or Implementation of such Program; or

(b) a certificate prepared by a Consultant approved by at least two (2) Authorized Board Representatives showing that:

(i) for each Fiscal Year during the period from the date of delivery of such certificate until the later Estimated Completion Date for the Specified Projects, the Consultant estimates that the Board will be in compliance with its rate covenants; and

(ii) the estimated Net Revenues for each of the three (3) Fiscal Years immediately following the last Estimated Completion Date for the Specified Projects will be at least equal to 110% of the Maximum Annual Debt Service for all of the Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans that will be Outstanding and all of the Intermediate Lien Bonds and the Senior Lien Bonds that will be Authorized after the issuance of such proposed Series or Implementation of such Program.

For purposes of subsections (b)(i) and (ii) above, in estimating Net Revenues, the Consultant shall use such assumptions as the Consultant believes reasonable and take into account (1) Revenues from Specified Projects or Port Facilities reasonably expected to become available during the period for which the estimates are provided, (2) any increase or decrease in fees, rates, charges, rentals or other sources of Revenues which have been approved by the Board and will be in effect during the period for which the estimates are provided, and (3) any other increases or decreases in Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operating and Maintenance Expenses, the

Consultant shall use such assumptions as the Consultant believes to be reasonable, and taking into account, (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Specified Projects and any other new Port Facilities and (iii) such other factors, including inflation and changing operations or policies of the Board, as the Consultant believes to be reasonable and appropriate. The Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Pledged Revenues and shall also set forth the calculations of Maximum Annual Debt Service, which calculations may be based upon information provided by another Consultant approved by at least two (2) Authorized Board Representatives.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants may rely upon financial statements prepared by the Board which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Board Representative shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments. Nothing contained in this section shall be construed to prohibit the Board from providing any actual debt service information or other base data for the Consultant's review and use in preparation of such certificates.

For purposes of this section only, any increase in the maximum Principal Amount available under a Credit Facility entered into with respect to any Intermediate Lien Commercial Paper Program shall be treated as an issuance of Intermediate Lien Bonds subject to the requirements of the Intermediate Lien Indenture.

Neither of the certificates described above shall be required if:

(i) the Intermediate Lien Bonds being issued are for the purpose of refunding then Outstanding Intermediate Lien Bonds, Senior Lien Bonds or DBW Loans and the Trustee receives a certificate of an Authorized Board Representative showing that Maximum Annual Debt Service on all of the Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans Outstanding or Authorized after the issuance of the refunding Intermediate Lien Bonds, will not exceed Maximum Annual Debt Service on all of the Intermediate Lien Bonds, the Senior Lien Bonds and the DBW Loans Outstanding or Authorized prior to the issuance of such refunding Intermediate Lien Bonds; or

(ii) the Intermediate Lien Bonds being issued constitute Intermediate Lien Notes and the Trustee receives a certificate prepared by an Authorized Board Representative showing that the principal amount of the proposed Intermediate Lien Notes being issued, together with the principal amount of any Intermediate Lien Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the 24 months immediately preceding the issuance of the proposed Intermediate Lien Notes and the Trustee receives a Certificate of an Authorized Board Representative setting forth calculations showing that for each of the Fiscal Years during which such notes will be outstanding, the Board will be in compliance with its rate covenants under the Intermediate Lien Indenture; or

(iii) the Intermediate Lien Bonds being issued are to pay costs of completing a Project for which Senior Lien Bonds, DBW Loans or Intermediate Lien Bonds have previously been issued or incurred and the principal amount of such Intermediate Lien Bonds being issued for completion purposes does not exceed an amount equal to 15% of such original indebtedness for such Project and reasonably allocable to the Project to be completed as shown in a certificate of an Authorized Board Representative and there is delivered to the Trustee: (a) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (b) a certificate of an Authorized Board Representative to the effect that (1) all of the proceeds (including investment earnings thereon) of the original indebtedness incurred to finance such Project has been or will be used to pay Costs of the Project and (2) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus unspent proceeds of original indebtedness previously incurred for such purpose.

THE FOURTH SUPPLEMENTAL INTERMEDIATE LIEN TRUST INDENTURE

The following is a brief summary of certain provisions of the Fourth Supplemental Intermediate Lien Trust Indenture. Such summary is only a brief description of limited provisions of such document and is qualified in its entirety by reference to the full text of the Fourth Supplemental Intermediate Lien Trust Indenture.

Terms of the 2021 Series H Intermediate Lien Bonds

The Fourth Supplemental Intermediate Lien Trust Indenture sets forth the terms of the 2021 Series H Intermediate Lien Bonds, most of which terms are described earlier in the Official Statement under "DESCRIPTION OF THE 2021 SERIES H INTERMEDIATE LIEN BONDS."

Establishment of Funds

The Fourth Supplemental Intermediate Lien Trust Indenture establishes the following funds and accounts:

(a) Port of Oakland Intermediate Lien Refunding Revenue Bonds 2021 Series H Debt Service Fund, and therein an Interest Account (the “Series H Interest Account”), a Principal Account (the “Series H Principal Account”) and a Redemption Account (the “Series H Redemption Account”);

(b) Port of Oakland Intermediate Lien Refunding Revenue Bonds 2021 Series H Costs of Issuance Fund (the “Series H Costs of Issuance Fund”);

(c) Port of Oakland Series H Rebate Fund (the “Series H Rebate Fund”); and

(d) Board of Port Commissioners of the City of Oakland Escrow Fund Series O Bonds - 2021 Refunding (the “Series O Refunded Bonds Escrow Fund”).

The proceeds from the sale of the 2021 Series H Intermediate Lien Bonds will be deposited into certain of the funds and accounts as set forth in the Official Statement under "ESTIMATED SOURCES AND USES OF FUNDS."

Debt Service Funds.

*Interest Account*s. The Trustee shall deposit into the Series H Interest Account (i) amounts received from the Board to be used to pay interest on the 2021 Series H Intermediate Lien Bonds and, if the Board enters into a Qualified Swap with respect to all or a portion of the 2021 Series H Intermediate Lien Bonds, to pay amounts due and payable to the provider of such Qualified Swap at such times as are provided in such Qualified Swap and (ii) if the Board enters into a Qualified Swap with respect to all or a portion of the 2021 Series H Intermediate Lien Bonds, any amounts received by the Board or the Trustee from the provider of such Qualified Swap. The Board shall notify the Trustee in writing of any amounts related to such a Qualified Swap. The Trustee shall also deposit into the Series H Interest Account any other amounts deposited with the Trustee for deposit in the Series H Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Series H Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the 2021 Series H Intermediate Lien Bonds in accordance with their terms and amounts due and payable by the Board under any Qualified Swap entered into by the Board with respect to all or a portion of the 2021 Series H Intermediate Lien Bonds (other than any Swap Termination Payments and any other amounts payable thereunder that constitute Subordinated Obligations) at any time in proportion to the amounts due or accrued with respect to each such swap. Earnings on the Series H Interest Account shall be withdrawn and paid to the Board for deposit into the Port Revenue Fund, unless an Event of Default exists under the Intermediate Lien Indenture, in which event the earnings shall be retained in such account.

*Principal Account*s. The Trustee shall deposit into the Series H Principal Account amounts received from the Board to be used to pay principal of the 2021 Series H Intermediate Lien Bonds. The Trustee shall also deposit into the Series H Principal Account any other amounts deposited with the Trustee for deposit into the Series H Principal Account or transferred from other funds and accounts for deposit therein. Earnings on the Series H Principal Account shall be withdrawn and paid to the Board for deposit into the Port Revenue Fund, unless an Event of Default exists under the Indenture, in which event the earnings shall be retained in such account.

*Redemption Account*s. The Trustee shall deposit into the Series H Redemption Account amounts received from the Board or from other sources to be used to pay the principal of, interest on and premium, if any, on 2021 Series H Intermediate Lien Bonds that are to be redeemed in advance of their maturity. Earnings on amounts from time to time deposited into the Series H Redemption Account shall be retained in such account or paid to the Board for deposit into the Port Revenue Fund in accordance with instructions given to the Trustee by an Authorized Board Representative at the time of such deposit.

The Series H Debt Service Fund shall be invested and reinvested in Permitted Investments as directed by an Authorized Board Representative.

Costs of Issuance Funds. The proceeds of the 2021 Series H Intermediate Lien Bonds shall be deposited in the Series H Costs of Issuance Fund in the amounts provided in the Fourth Supplemental Intermediate Lien Trust Indenture. The Trustee will make payments or disbursements from the Series H Costs of Issuance Fund upon receipt from the Board of a written requisition executed by an Authorized Board Representative. Moneys held in the Series H Costs of Issuance Fund shall be invested and reinvested as directed by an Authorized Board Representative in Permitted Investments.

Intermediate Lien Common Reserve Fund. Moneys held in the Intermediate Lien Common Reserve Fund shall be used for the purpose of paying principal and interest on the 2021 Series H Intermediate Lien Bonds.

Rebate Fund

The Board agreed in the Fourth Supplemental Intermediate Lien Trust Indenture to enter into the Tax Certificate and to create a Series H Rebate Fund for the 2021 Series H Intermediate Lien Bonds as required by the Tax Certificate. The Series H Rebate Fund will be established for the purpose of complying with certain provisions of the Code which require that the Board pay to the United States of America the excess, if any, of the amounts earned on certain funds held by the Trustee with respect to the 2021 Series H Intermediate Lien Bonds over the amounts which would have been earned on such funds if such funds earned interest at a rate equal to the yield on the 2021 Series H Intermediate Lien Bonds. Such excess is to be deposited into the Series H Rebate Fund and periodically paid to the United States of America. The Series H Rebate Fund while held by the Trustee is held in trust for the benefit of the United States of America and is neither pledged as security for nor available to make payment on the 2021 Series H Intermediate Lien Bonds.

Amendments to the Intermediate Lien Master Trust Indenture

The Fourth Supplemental Intermediate Lien Indenture amends certain provisions of the Intermediate Lien Master Trust Indenture. The provisions summarized under the captions "AMENDMENTS TO INTERMEDIATE LIEN MASTER TRUST INDENTURE - Rate Covenant" and "- Ratings Agencies" describe the provisions as amended and the text of the amendments is provided below.

Amendment to definition of "Operation and Maintenance Expenses." The definition of "Operating and Maintenance Expenses" in the Intermediate Lien Master Trust Indenture is hereby amended as indicated by the following marked provision, in which inserted language is indicated as double-underlined and deleted language is indicated as struck through:

"*Operation and Maintenance Expenses*" shall mean, for any given period, the total operation and maintenance expenses of the Board as determined in accordance with generally accepted accounting principles as modified from time to time, excluding any operation and maintenance expenses ~~payable from~~ expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) from: (i) subsidies or grants awarded by or received from, as applicable, federal governmental entities or agencies that do not constitute Revenues, or (ii) moneys other than Intermediate Lien Pledged Revenues

The revised definition of "Operation and Maintenance Expenses" shall therefore read, in its entirety:

"*Operation and Maintenance Expenses*" shall mean, for any given period, the total operation and maintenance expenses of the Board as determined in accordance with generally accepted accounting principles as modified from time to time, excluding any operation and maintenance expenses expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) from: (i) subsidies or grants awarded by or received from, as applicable, federal governmental entities or agencies that do not constitute Revenues, or (ii) moneys other than Intermediate Lien Pledged Revenues.

Amendment to definition of "*Rating Agency*." The definition of "Rating Agency" in the Intermediate Lien Master Indenture is amended as indicated by the following marked provision, in which inserted language is indicated as double-underlined:

> "'*Rating Agency*' shall mean Moody's, S&P or Fitch, or any other nationally recognized statistical rating organization identified as such by the United States Securities and Exchange Commission with respect to municipal securities."

The revised definition of "Rating Agency" shall therefore read, in its entirety:

> "'*Rating Agency*' shall mean Moody's, S&P or Fitch, or any other nationally recognized statistical rating organization identified as such by the United States Securities and Exchange Commission with respect to municipal securities."

Amendment to Section 5.04(b). Section 5.04(b) of the Intermediate Lien Master Trust Indenture is amended as indicated by the following marked provision, in which inserted language is indicated as double-underlined and deleted language is indicated as struck through:

> "(b) The Board further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues will be equal to at least 110%

of the actual debt service becoming due and payable by the Board on Outstanding Intermediate Lien Bonds, Outstanding Senior Lien Bonds and Outstanding DBW Loans in such year less (i) ~~amounts paid~~ debt service expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) in such year from: (a) the proceeds of other borrowings, (~~ii~~b) ~~debt service paid in such year from~~ Capitalized Interest, or (c) subsidies or grants awarded by or received from, as applicable, federal governmental entities or agencies that do not constitute Revenues, and (~~iii~~ii) the amount of any security pledged to such Intermediate Lien Bonds or to such Senior Lien Bonds that will be available for (if calculated prospectively) or are used to pay (if calculated retrospectively) debt service ~~payment~~ in addition to, as appropriate, the Intermediate Lien Pledged Revenues or the Pledged Revenues during the year as set forth in the applicable Supplemental Intermediate Lien Indenture or the applicable supplement to the Senior Lien Indenture.

The revised Section 5.04(b) of the Intermediate Lien Master Trust Indenture shall therefore read, in its entirety:

> "(b) The Board further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues will be equal to at least 110% of the actual debt service becoming due and payable by the Board on Outstanding Intermediate Lien Bonds, Outstanding Senior Lien Bonds and Outstanding DBW Loans in such year less (i) debt service expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) in such year from: (a) the proceeds of other borrowings, (b) Capitalized Interest, or (c) subsidies or grants awarded by or received from, as applicable, federal governmental entities or agencies that do not constitute Revenues, and (ii) the amount of any security pledged to such Intermediate Lien Bonds or to such Senior Lien Bonds that will be available for (if calculated prospectively) or are used to pay (if calculated retrospectively) debt service in addition to, as appropriate, the Intermediate Lien Pledged Revenues or the Pledged Revenues during the year as set forth in the applicable Supplemental Intermediate Lien Indenture or the applicable supplement to the Senior Lien Indenture."

APPENDIX B-2

SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE

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APPENDIX B-2

SUMMARY OF THE SENIOR LIEN MASTER TRUST INDENTURE DEFINITIONS

The following are definitions of certain terms used in this Official Statement including the summaries of the Senior Lien Master Trust Indenture.

"Accreted Value" means (i) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Indenture as the amount representing the initial principal amount of such Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (ii) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Bonds plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Bond.

"Act" means Article VII of the Charter, as amended from time to time, or any other article or section of the Charter in which the provisions relating to the Board and the Port Department may be set forth.

"Authorized" means, with respect to any Program which has been Implemented and not terminated, the Authorized Amount less the amounts which are Outstanding at the time of calculation.

"Authorized Amount" means, when used with respect to a Program, the maximum Principal Amount of Bonds which is then authorized by the Board to be Outstanding at any one time under the terms of such Program.

"Authorized Board Representative" means the Executive Director, Chief Financial Officer or Deputy Executive Director of the Board or such other officer or employee of the Board or other person which other officer, employee or person has been designated by the Board as an Authorized Board Representative by written notice delivered by the Executive Director, the Chief Financial Officer or Deputy Executive Director to the Trustee.

"Balloon Indebtedness" means, with respect to any Series of Bonds twenty-five percent (25%) or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Bonds of a Series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such Series which matures during any preceding Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds, scheduled to be amortized by prepayment or redemption prior to their stated maturity date. A Commercial Paper Program and the Commercial Paper constituting part of such program shall not be Balloon Indebtedness.

"Board" means the Board of Port Commissioners of the City of Oakland, California, and any successor to its function.

"Bond" or "Bonds" or "Senior Lien Bonds" means any debt obligation of the Board issued under and in accordance with the provisions of the Indenture, including, but not limited to bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Board, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and Repayment Obligations to the extent provided in the Indenture. In connection with Bonds of a Series with respect to which a Qualified Swap is in effect or proposed to be in effect, the term "Bonds" includes, collectively, both such Bonds and either such Qualified Swap or the obligations of the Board under such Qualified Swap, as the context requires, but the Qualified Swap Provider shall not be considered to be an owner of Bonds for purposes of receiving notices, granting consents or approvals, or directing or controlling any actions, restrictions, rights, remedies or waivers under the Indenture, except as expressly provided in the Indenture.

"Bond Counsel" means a firm or firms of attorneys which are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under the Indenture and which are acceptable to the Board.

"Bondholder," "holder," "owner" or "registered owner" means the person in whose name any Bond or Bonds are registered on the books maintained by the Registrar and includes any Credit Provider or Liquidity Provider to which a Repayment Obligation is then owed, to the extent that such Repayment Obligation is deemed to be a Bond under the provisions of the Indenture.

"Business Day" means a day on which banks located in New York, New York, in California and in the City in which the principal corporate trust office of the Trustee is located are open.

"Capital Appreciation Bonds" means Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Indenture and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and thereafter shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"Capitalized Interest" means the amount, if any, of the proceeds received upon issuance of Bonds, which is used to pay interest on the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Regulations proposed or in effect with respect thereto.

"Commercial Paper" means notes of the Board with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the Board.

"Commercial Paper Program" means a Program authorized by the Board pursuant to which Commercial Paper shall be issued and reissued from time to time, up to the Authorized Amount of such Program.

"Construction Fund" means any of the Construction Funds authorized to be created as described in the Senior Lien Master Trust Indenture.

"Consultant" means any independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm or other expert recognized to be well-qualified for work of the character required and retained by the Board to perform acts and carry out the duties provided for such consultant in the Indenture.

"Costs" or "Costs of the Project" means all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and shall include, but not be limited to (1) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (2) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (3) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether in-house or Independent, (4) costs of the Board properly allocated to a Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (5) financing expenses, including costs related to issuance of and securing of Bonds, costs of Credit Facilities, Capitalized Interest, debt service reserve funds, trustee's fees and expenses; (6) any Swap Termination Payments due in connection with a Series of Bonds, and (7) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Board.

"Credit Facility" means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on specified Bonds or a Series of Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Board fails to do so and such term includes any such instrument which is used to fund a Reserve Fund or provide security in lieu of a Reserve Fund.

"Credit Provider" means the party obligated to make payment on the Bonds under a Credit Facility.

"Customer Facility Charge" shall mean a customer facility charge authorized to be imposed by the Port in accordance with §1936 of the California Civil Code.

"Estimated Completion Date" means the estimated date upon which a Specified Project will have been substantially completed in accordance with the plans and specifications applicable thereto or the estimated date upon which a Specified Project is expected to have been acquired and payment therefor made, in each case, as that date shall be set forth in a certificate of an Authorized Board Representative delivered to the Trustee at or prior to the time of issuance of the Bonds which are to finance such Project.

"Event of Default" shall mean any occurrence or event described in this Appendix B-2 under "THE SENIOR LIEN MASTER TRUST INDENTURE-Events of Default and Remedies."

"Fiscal Year" means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other similar period as the Board designates as its fiscal year.

"Fitch" means Fitch Ratings, organized and existing under the laws of the State of Delaware, and its successors and assigns, or, if such entity shall for any reason no longer perform the function of a security rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board.

[The Sixteenth Supplemental Senior Lien Indenture adds the preceding definition. By purchase of any of the 2020 Series R Senior Lien Bonds, the holders of such the 2020 Series R Senior Lien Bonds shall be deemed to have consented to such addition.]

“Government Obligations” shall mean (1) United States Obligations (including obligations issued or held in book-entry form), (2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association; or local authority bonds of the U.S. Department of Housing & Urban Development, and (3) Prerefunded municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (c) the principal of and interest on any such United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations serving as security for the municipal obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated in their highest rating category by Moody's and by S&P if S&P then maintains a rating on such obligations.

[The Sixteenth Supplemental Senior Lien Indenture amends the preceding definition. By purchase of any of the 2020 Series R Senior Lien Bonds, the holders of such the 2020 Series R Senior Lien Bonds shall be deemed to have consented to such amendment. The preceding definition reflects the definition as amended.]

"Implemented" means, when used with respect to a Program, a Program which has been authorized and the terms thereof approved by a resolution adopted by the Board, and the conditions to issuance, as set forth in the Indenture, have been met.

"Indenture" or "Senior Lien Master Trust Indenture" means the Amended and Restated Master Trust Indenture, dated as of April 1, 2006, between the Board and the Trustee as amended and supplemented, as the same has been and may be amended and supplemented in accordance therewith.

"Investment Agreement" means an investment agreement or guaranteed investment contract (i) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short- term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term rating categories (if the term of the Investment Agreement is three years or longer) by S&P if S&P then maintains a rating on any of the Bonds to be secured thereby and maintains a rating on such debt and/or by Moody's if Moody's then maintains a rating on any of the Bonds to be secured thereby and maintains a rating on such debt or (ii) which investment agreement or guaranteed investment contract is fully secured by obligations described in item (1) or (2) of the definition of Permitted Investments (A) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (B) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (C) subject to a perfected first lien in the Trustee, and (D) free and clear from all third-party liens.

"Liquidity Facility" means a letter of credit, line of credit, standby purchase agreement or other financial instrument which is available to provide funds with which to purchase Bonds.

"Liquidity Provider" means the entity which is obligated to provide funds to purchase Bonds under the terms of a Liquidity Facility.

"Maximum Annual Debt Service" means, at any point in time, with respect to all Bonds which are then Outstanding and all Bonds which are then Authorized, the maximum amount of principal and interest becoming due in the then current or any future Fiscal Year, calculated by using the following assumptions:

(i) in determining the principal due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such year; in determining the interest due in each year, interest payable at a fixed rate shall (except to the extent subsection (ii), (iii) or (iv) of this definition applies) be assumed to be made at such fixed rate and on the required payment dates;

(ii) if all or any portion or portions of an Outstanding Series of Bonds constitute Balloon Indebtedness, or if all or any portion or portions of a Series of Bonds then proposed to be issued would constitute Balloon Indebtedness (excluding Bonds which are part of a Program and to which subsection (viii) applies), then, for purposes of determining Maximum Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless provision (iii) below then applies to such maturity, be treated as if it were to be amortized over a term of 25 years commencing in the year the stated maturity of such Balloon Indebtedness occurs and with substantially level annual debt service payments; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for 25-year fixed-rate Bonds issued under the Indenture on the date of such calculation with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (i) above or such other provision of this definition as shall be applicable and, with respect to any Series or that portion of a Series which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in (i) above or such other provision of this definition as shall be applicable.

(iii) any maturity which constitutes Balloon Indebtedness as described in provision (ii) above and for which the stated maturity date occurs within 12 months from the date such calculation is made, shall be assumed to become due and payable on the stated maturity date and provision (ii) above shall not apply thereto unless there is delivered to the entity making the calculation a certificate of an Authorized Board Representative stating that the Board intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Board is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Maximum Annual Debt Service, provided that such assumption shall not result in an amortization period longer than or an interest rate lower than that which would be assumed under provision (ii) above;

(iv) if any of the Outstanding Series of Bonds constitute Tender Indebtedness or if Bonds then proposed to be issued would constitute Tender Indebtedness (excluding Bonds which are part of a Program or which a Qualified Swap is in effect and to which subsection (viii), (ix), (xi), or (xii) applies), then, for purposes of determining Maximum Annual Debt Service, Tender Indebtedness shall be treated as if the principal amount of such Bonds were to be amortized over a term of 25 years commencing in the year in which such Series is first subject to tender and with substantially level annual debt service payments; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for 25-year fixed-rate Bonds issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender such payments shall be treated as described in (i) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in (v), (vi) or (xii) below, as appropriate;

(v) if any Outstanding Bonds constitute Variable Rate Indebtedness (except to the extent subsection (ii) or (iii) relating to Balloon Indebtedness or (iv) relating to Tender Indebtedness or (xi) or (xii) relating to Qualified Swaps applies), the interest rate on such Bonds shall be assumed to be 100% of the rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of the calculation as certified by an Authorized Board Representative.

(vi) if Bonds proposed to be issued would be Variable Rate Indebtedness (except to the extent subsection (xi) or (xii) relating to Qualified Swaps applies), such Bonds shall be assumed to bear an interest rate equal to 100% of the rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of sale of such Bonds, as published in The Bond Buyer, as certified by an Authorized Board Representative;

(vii) with respect to any Commercial Paper Program which has been Implemented and not then terminated or with respect to any Commercial Paper Program then proposed to be Implemented, the principal and interest thereon shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 25 years commencing in the year in which such Commercial Paper Program is Implemented and with substantially level annual debt service payments; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for 25-year fixed-rate Bonds issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(viii) with respect to any Program other than a Commercial Paper Program, then proposed to be Implemented, it shall be assumed that the full principal amount of such Authorized Bonds will be amortized over a term certified by an Authorized Board Representative to be the expected duration of such Program, but not to exceed 25 years, and commencing in the year such Program is Implemented and that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(ix) with respect to any Program other than a Commercial Paper Program, which has been Implemented (a) debt service on Bonds then Outstanding as part of such Program shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (b) with respect to the Bonds of such Program which are Authorized, it shall be assumed that the full principal amount of such Authorized Bonds will be amortized over a term certified by an Authorized Board Representative at the time of implementation of such Program to be the expected duration of such Program or, if such expectations have changed, over a term certified by an Authorized Board Representative to be the expected duration of such Program at the time of such calculation, but not to exceed 25 years from the date such Program is Implemented and it shall be assumed that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(x) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under the Indenture, shall be calculated as described under "THE SENIOR LIEN MASTER TRUST INDENTURE-Repayment Obligations" below;

(xi) for purposes of computing the Maximum Annual Debt Service of Bonds of a Series with respect to which a Qualified Swap is in effect, the interest payable thereon (a) except as provided in clause (b) of this sentence, shall be deemed to be the interest payable under the Qualified Swap in accordance with the terms thereof plus any amount required to be paid by the Board to the Qualified Swap Provider pursuant to the Qualified Swap or minus any amount required to be paid by the Qualified Swap Provider to the Board pursuant to the Qualified Swap, or (b) for purposes of computing the Maximum Annual Debt Service for any Reserve Fund created for a Series of Bonds and for purposes of any computation for the issuance of Additional Bonds as provided in the Indenture shall be deemed to be the amount accruing (1) at the fixed rate as provided in the Qualified Swap if the Qualified Swap provides that the Board's obligation thereunder is payable at a fixed rate or (2) at a variable rate determined in accordance with clause (v) or (vi) of the definition of Maximum Annual Debt Service if the Qualified Swap provides that the Board's obligation thereunder is payable at a variable rate;

(xii) for purposes of computing the Maximum Annual Debt Service of Qualified Swaps with respect to which no Bonds are presently Outstanding or of that portion of a Qualified Swap with respect to which the notional amount is greater than the principal amount of Outstanding Bonds to which such Qualified Swap relates for purposes of computation of the Maximum Annual Debt Service for a period after the date of computation, the interest payable thereon shall be deemed to be the net amount most recently paid, as of the date of computation, by the Board to the Qualified Swap Provider thereunder or (expressed negative number) by the Qualified Swap Provider to the Board thereunder; and

(xiii) if moneys or Permitted Investments have been irrevocably deposited with and are held by the Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Bonds, then the principal and/or interest to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Maximum Annual Debt Service.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the Board.

"Net Pledged Revenues" means Net Revenues.

"Net Proceeds" means insurance proceeds received as a result of damage to or destruction of Port Facilities or any condemnation award or amounts received from the sale of Port Facilities under the threat of condemnation less expenses (including attorneys' fees and any expenses of the Trustee) incurred in the collection of such proceeds or award.

"Net Revenues" means, for any given period, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"Notes" means Bonds issued under the provisions of the Indenture which have a maturity of five years or less from their date of original issuance and which are not part of a Commercial Paper Program.

"Operation and Maintenance Expenses" means, for any given period, the total operation and maintenance expenses of the Board as determined in accordance with generally accepted accounting principles as modified from time to time, excluding any operation and maintenance expenses expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) from moneys other than Revenues.

[The Sixteenth Supplemental Senior Lien Indenture amends the preceding definition. By purchase of any of the 2020 Series R Senior Lien Bonds, the holders of such the 2020 Series R Senior Lien Bonds shall be deemed to have consented to such amendment. The preceding definition reflects the definition as amended.]

"Original Issue Discount Bonds" means Bonds which are sold at an initial public offering price of less than 95% of their face value and which are specifically designated as Original Issue Discount Bonds by the Supplemental Indenture under which such Bonds are issued. "Outstanding" when used with respect to Bonds means all Bonds which have been authenticated and delivered under the Indenture, except: (a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby; (b) Bonds deemed to be paid in accordance with the Indenture; (c) Bonds in lieu of which other Bonds have been authenticated under the Indenture; (d) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent; (e) Bonds which, under the terms of the Supplemental Indenture pursuant to which they were issued, are deemed to be no longer Outstanding; (f) Repayment Obligations deemed to be Bonds under the Indenture to the extent such Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Bonds acquired by the Liquidity Provider; and (g) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under the Indenture, Bonds held by or for the account of the board or by any person controlling, controlled by or under common control with the Board, unless such Bonds are pledged to secure a debt to an unrelated party.

"Passenger Facility Charges" means the passenger facility fees authorized to be imposed by the Port in accordance with 49 U.S.C. § 40117, et seq.

"Paying Agent" or "Paying Agents" means, with respect to the Bonds or any Series of Bonds, the banks, trust companies or other financial institutions or other entities designated in a Supplemental Indenture or a resolution of the Board as the place where such Bonds shall be payable.

"Payment Date" means, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

"Permitted Investments" means any of the following:

(1) Government Obligations;

(2) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following instrumentalities or agencies of the United States of America: Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Financing Bank; Government National Mortgage Association; Federal National Mortgage Association; Student Loan Marketing Association; Federal Farm Credit Bureau; Farmers Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration.

(3) Direct and general long-term obligations of any state, which obligations are rated in either of the two highest rating categories by Moody's and by S&P if S&P then maintains a rating on such obligations;

(4) Direct and general short-term obligations of any state which obligations are rated in the highest rating category by Moody's and by S&P if S&P then maintains a rating on such obligations;

(5) Interest-bearing demand or time deposits (including certificates of deposit) or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC") or by savings and loan associations that are members of the Federal Savings and Loan Insurance Corporation ("FSLIC"), which deposits or interests must either be (a) continuously and fully insured by FDIC or FSLIC and with banks that are rated at least "P-1" or "Aa" by Moody's and at least "A-1" or "AA" by S&P if such banksare then rated by S&P or (b) fully secured by United States Obligations (i) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the principal amount of the deposits or interests, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or depositary acceptable to the Trustee, (iii) subject to a perfected first lien in the Trustee, and (iv) free and clear from all third-party liens;

(6) Long-term or medium-term corporate debt guaranteed by any corporation that is rated by both Moody's and S&P in either of their two highest rating categories;

(7) Repurchase agreements which are (a) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal

Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has an investment grade rating from Moody's and from S&P if S&P then maintains a rating on such institution and (b) fully secured by investments specified in Section (1) or (2) of this definition of Permitted Investments (i) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien in the Trustee and (iv) free and clear from all third-party liens;

(8) Prime commercial paper of a United States corporation, finance company or banking institution rated at least "P-1" by Moody's and at least "A-1" by S&P if S&P then maintains a rating on such paper;

(9) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (a) a money market fund that has been rated in one of the two highest rating categories by Moody's or S&P or (b) a money market fund or account of the Trustee or any state or federal bank that is rated at least "P-1" or "Aa" by Moody's if Moody's then maintains a rating on such bank and at least "A-1" or "AA" by S&P if S&P then maintains a rating on such bank, or whose one bank holding company parent is rated at least "P-1" or "Aa" by Moody's if Moody's then maintains a rating on such holding company and "A-1" or "AA" by S&P if S&P then maintains a rating on such holding company or that has a combined capital and surplus of not less than $50,000,000;

(10) Investment Agreements; and

(11) Any other type of investment in which the Board directs the Trustee to invest provided that there is delivered to the Trustee a certificate of an Authorized Board Representative stating that each of the Rating Agencies then maintaining a rating on the applicable Bonds has been informed of the proposal to invest in such investment and each of such Rating Agencies has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any of the applicable Bonds.

"Pledged Revenues" means, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by, held by, accrued to or entitled to be received by the Board or any successor thereto from the operation and/or ownership of the Port or any of the Port Facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Board receives payments and from the investment of amounts held in the Port Revenue Fund, including, but not limited to, (1) rates, tolls, fees, rentals, charges and other payments made to or owed to the Board for the use or availability of property or facilities, (2) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Board, (3) Net Proceeds and rental or business interruption insurance proceeds and (4) amounts held in the Port Revenue Fund. Pledged Revenues shall also include such additional revenues, if any, as are designated as Pledged Revenues under the terms of any Supplemental Indenture. The following are specifically excluded from Pledged Revenues: (i) any amounts received by the Board from the imposition of ad valorem taxes, (ii) gifts, grants, Passenger Facility Charges and Customer Facility Charges which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds, (iii) insurance proceeds to the extent the use of such proceeds are restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds and (iv) Special Facility Revenue.

"Port" means all facilities and property, real or personal, wherever located, under the jurisdiction or control of the Board or in which the Board has other rights or from which the Board derives revenue.

"Port Facilities" or "Port Facility" means a specific facility or group of facilities or category of facilities which constitute or are part of the Port.

"Port Revenue Fund" means that fund created by and existing pursuant to Section 617(3) of the Charter or any successor provision.

"Principal Amount" or "principal amount" means, as of any date of calculation, (i) with respect to any Capital Appreciation Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest), (ii) with respect to any Original Issue Discount Bond, the Accreted Value thereof, unless the Supplemental Indenture under which such Bond was issued shall specify a different amount, in which case, the terms of the Supplemental Indenture shall control and (iii) with respect to any other Bonds, the principal amount of such Bond payable at maturity.

"Program" means a Commercial Paper Program, auction bond program or other Program pursuant to which the Board authorizes the issuance of Bonds from time to time up to an Authorized Amount and sets forth the procedures under which such Bonds shall be issued and the terms of such Bonds.

"Project" means any and all facilities financed in whole or in part with proceeds ofBonds.

"Qualified Swap" means any financial arrangement (i) that is entered into by the Board with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the Board shall pay to such entity an amount based on the interest accruing at a fixed or a variable rate on an amount equal to the designated principal amount of Bonds Outstanding as described therein, and that such entity shall pay to the Board an amount based on the interest accruing on such principal amount at a variable or fixed rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Bonds) or that one shall pay to the other any net amount due under such arrangement; and (iii) which has been designated in writing to the Trustee by the Board as a Qualified Swap with respect to such Bonds, and if entered into in connection with a new Series of Bonds has been approved in writing by S&P, and if entered into in connection with a particular Series of Bonds has been approved in writing by the insurer insuring payments of principal and interest on such Series of Bonds.

"Qualified Swap Provider" means with respect to a Qualified Swap a financial institution whose senior long term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations, are rated (at the time the subject Qualified Swap is entered into) at least A3, in the case of Moody's and A-, in the case of S&P, or the equivalent thereto in the case of any successor thereto, and which is approved in writing by any bond insurer insuring payment of principal of and interest on the Series of Bonds to which such Qualified Swap relates.

"Rating Agency" means Moody’s, S&P or Fitch, or any other nationally recognized statistical rating organization identified as such by the United States Securities and Exchange Commission with respect to municipal securities.

[The Sixteenth Supplemental Senior Lien Indenture amends the preceding definition. By purchase of any of the 2020 Series R Senior Lien Bonds, the holders of such the 2020 Series R Senior Lien Bonds shall be

deemed to have consented to such amendment. The preceding definition reflects the definition as amended.]

"Registrar" means, with respect to the Bonds or any Series of Bonds, the bank, trust company or other entity designated in a Supplemental Indenture or a resolution of the Board to perform the function of Registrar under the Indenture, and which bank, trust company or other entity has accepted the position in accordance with the Indenture.

"Repayment Obligations" means an obligation arising under a written agreement of the Board and a Credit Provider pursuant to which the Board agrees to reimburse the Credit Provider for amounts paid through a Credit Facility to be used to pay debt service on any Bonds or an obligation arising under a written agreement of the Board and a Liquidity Provider pursuant to which the Board agrees to reimburse the Liquidity Provider for amounts paid through a Liquidity Facility to be used to purchase Bonds.

"Reserve Fund" means any Reserve Fund created by the Board pursuant to a Supplemental Indenture in connection with the issuance of any Series of Bonds for the purpose of providing additional security for such Series of Bonds; such term shall also mean any surety bond, insurance policy or other financial instrument which is provided in lieu of a funded reserve for a Series of Bonds.

"Revenues" means the operating revenues and interest income of the Board, for any given period, as determined in accordance with generally accepted accounting principles, as modified from time to time, but excluding (i) Special Facilities Revenue, and (ii) any amounts paid to the Board pursuant to a Qualified Swap.

"S&P" means S&P Global Ratings, a business of Standard & Poor's Financial Services, LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board.

"Series" means Bonds designated as a separate Series by a Supplemental Indenture and, with respect to a Commercial Paper Program, shall mean the total Authorized Amount of such Program regardless of when or whether issued, unless portions thereof are, by Supplemental Indenture, designated as separate Series.

"Special Facilities Revenue" means the contractual payments derived by the Board from a Special Facility and all other income and revenues available to the Board from such Special Facility.

"Special Facility" means a facility that is designated as a Special Facility under the provisions of the Indenture.

"Special Obligations" means bonds or other debt instruments that are not secured by nor payable from the Pledged Revenues, but are payable from Special Facilities Revenues.

"Specified Project" means a Project or a group of alternative Projects which are described in a certificate of an Authorized Board Representative delivered to the Consultant preparing the Additional Bonds certificate described in the Indenture, the revenues and expenses of which Project or of the alternative Projects are to be taken into account by such Consultant in preparing said certificate.

"Subordinated Obligation" means any bond or other debt instrument issued or otherwise entered into by the Board which ranks junior and subordinate to the Bonds and which may be paid from moneys constituting Pledged Revenues only if all amounts of principal and interest which have become due and payable on the Bonds whether by maturity, redemption or acceleration have been paid in full and the Board is current on all payments required to be made to replenish all Reserve Funds. In connection with any Subordinated Obligation with respect to which an interest rate swap is in effect or proposes to be in effect, the term "Subordinated Obligation" includes, collectively, both such Subordinated Obligation and either such interest rate swap or the obligations of the Board under such interest rate swap, as the context requires. The term "Subordinated Obligations" also includes an interest rate swap or the obligations of the Board under such interest rate swap which has been entered into in connection with a Subordinated Obligation, as the context requires, although none of the Subordinated Obligations with respect to which such interest rate swap was entered into are outstanding.

"Supplemental Indenture" means any document supplementing or amending the Indenture or providing for the issuance of Bonds.

"Swap Termination Payment" means an amount payable by the Board or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap.

"Tender Indebtedness" means any Bonds or portions of Bonds a feature of which is an option, on the part of the Bondholders, or an obligation, under the terms of such Bonds, to tender all or a portion of such Bonds to the Board, the Trustee, the Paying Agent or other fiduciary or agent or Credit Provider for payment or purchase and requiring that such Bonds or portions of Bonds be purchased if properly presented.

"Trustee" or "Senior Lien Trustee" means U.S. Bank, National Association, until a successor replaces it and, thereafter, means such successor.

"United States Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations and not guaranteed obligations) evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein (1) a bank or trust company acts as custodian and holds the underlying United States Obligations; (2) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (3) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

"Variable Rate Indebtedness" means any Bond or Bonds the interest rate on which is not, at the time in question, fixed to maturity.

THE SENIOR LIEN MASTER TRUST INDENTURE

The following is a summary of certain provisions of the Senior Lien Master Trust Indenture. Such summary is only a brief description of certain provisions of such document and is qualified in its entirety by reference to the full text of the Senior Lien Master Trust Indenture.

Grant to Secure the Senior Lien Bonds; Pledge of Pledged Revenues

To secure the payment of the Bonds and the performance and observance by the Board of all the covenants, agreements and conditions expressed or implied in the Indenture or contained in the Bonds, the Board pledges and assigns to the Trustee and grants to the Trustee a lien on and security interest in all right, title and interest of the Board in and to all of the following and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the Board in the following: (a) the Pledged Revenues, (b) all moneys and securities (excluding moneys and securities on deposit in any Rebate Fund) held from time to time by the Trustee under the Indenture and moneys and securities held in any Construction Fund whether or not held by the Trustee, (c) earnings on amounts included in provisions (a) and (b) above and (d) any and all other funds, assets, rights, property or interests therein which may from time to time be sold, transferred, conveyed, assigned, pledged, mortgaged, granted or delivered to or deposited with the Trustee as additional security under the Indenture, for the equal and proportionate benefit and security of all Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall, with respect to the security provided by the Indenture, be of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds. Any Reserve Fund created by a Supplemental Indenture and any other security or Credit Facility provided for specific Bonds may, as provided by Supplemental Indenture, secure only such specific Bonds and shall not be included as security for all Bonds under the Indenture, and moneys and securities held in trust as provided in the Indenture exclusively for Bonds which have become due and payable and moneys and securities which are held exclusively to pay Bonds which are deemed to have been paid under the Indenture shall be held solely for the payment of such specific Bonds.

The Board represents and states under the Indenture that it has not previously created any charge or lien on or any security interest in the Pledged Revenues and the Board covenants under the Indenture that, until all the Bonds authorized and issued under the provisions of the Indenture and the interest thereon shall have been paid or are deemed to have been paid, it will not grant any prior or parity pledge of or any security interest in the Pledged Revenues or any of the other security which is pledged pursuant to the Indenture, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under the Indenture. The Board is permitted to encumber the Pledged Revenues with a pledge ranking junior and subordinate to the charge or lien of the Bonds.

Receipt and Deposit of Pledged Revenues – Port Revenue Fund

The Board covenants and agrees that all Pledged Revenues, when and as received, will be deposited by the Board pursuant to the Act in the Port Revenue Fund in the City Treasury and will be accounted for through the Port Revenue Fund. The Board will notify the City Treasurer of the pledge of, lien on, and interest in Pledged Revenues granted by the Senior Lien Master Trust Indenture and will instruct the City Treasurer that all such Pledged Revenues shall be accounted for separate and apart from all other moneys, funds, accounts or other resources of the Board or the City.

Repayment Obligations

If a Credit Provider or Liquidity Provider advances funds to pay principal of or to purchase Bonds, all or a portion of the Board's repayment obligation may be afforded the status of a Bond under the Indenture. If afforded such status, the Credit Provider or Liquidity Provider will be deemed to be the Bondholder, and such Bonds will be deemed to have been issued as of the date of the Bonds for which the Credit Facility or Liquidity Facility was originally provided. Interest on the Bonds deemed to be held by the Credit Provider or Liquidity Provider shall be deemed to be payable semiannually at the rate of interest applicable to the repayment obligation. Payments of principal shall be deemed to be payable annually and amortized on a substantially level annual debt service basis over a period ending on the later of: (a) the earlier of (i) 25 years or (ii) the final maturity of the Bonds for which the Credit Facility or Liquidity Facility was provided; and (b) the final maturity of the Repayment Obligation. Any amount that comes due on a Repayment Obligation by its terms, which is in excess of the amount treated as principal of and interest on a Bond, shall be junior and subordinate to the Bonds and shall constitute a Subordinated Obligation of the Board.

Obligations Under Qualified Swap

The obligation of the Board to make interest swap payments under a Qualified Swap with respect to a Series of Bonds shall be on a parity with the obligation of the Board to make payments with respect to such Series of Bonds and other Bonds under the Indenture, except as otherwise provided by a Supplemental Indenture and elsewhere in the Indenture, with respect to any Swap Termination Payments. Such interest swap obligations under a Qualified Swap shall be secured by a pledge of a lien on the Pledged Revenues on a parity with the Bonds of such Series and all other Bonds, regardless of the principal amount, if any, of the Bonds of such Series remaining Outstanding.

In the event that a Swap Termination Payment or any other amounts other than as described in the preceding paragraph are due and payable by the Board under a Qualified Swap, such Swap Termination Payment and any such other amounts shall constitute a Subordinated Obligation under the Indenture.

Payment of Principal and Interest

Under the Indenture, the Board covenants and agrees that it will duly and punctually pay or cause to be paid from the Pledged Revenues the principal of, premium, if any, and interest on every Bond at the place and on the dates and in the manner specified in the Indenture and that it will faithfully do and perform all covenants and agreements contained in the Indenture.

Senior Lien Obligations Prohibited

The Board agrees that so long as any Bonds are Outstanding under the Senior Lien Master Trust Indenture, it (i) will not adopt a resolution determining that Pledged Revenues be used to pay general obligation bonds of the City and (ii) will not issue any additional bonds or other obligations with a lien on or security granted in Pledged Revenues which is senior to the Bonds.

Rate Covenant

The Sixteenth Supplemental Trust Indenture amends the provision relating to the Rate Covenant. By purchase of any 2020 Series R Senior Lien Bonds, the holders of such 2020 Series R Senior Lien Bonds shall be deemed to have consented to such amendment. The provision summarized below is the provision as amended.

The Board will, at all times while any of the Bonds remain Outstanding, establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection therewith, so that Pledged Revenues in each Fiscal Year will be at least sufficient to pay the following amounts:

(1) the interest on and principal of the Outstanding Bonds as the same become due and payable by the Board in such year;

(2) all other payments required for compliance with the terms of the Senior Lien Master Trust Indenture and of any Supplemental Indenture including, but not limited to, the required deposits to any Reserve Fund, which may be established;

(3) all other payments necessary to meet ongoing legal obligations to be paid at that time from Pledged Revenues; and

(4) all current Operation and Maintenance Expenses of the Port.

The Board further agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues will be equal to at least 125% of the actual debt service becoming due and payable by the Board on Outstanding Bonds in such year less (i) debt service expected to be paid (if calculated prospectively) or paid (if calculated retrospectively) in such year from: (a) the proceeds of other borrowings, (b) Capitalized Interest, or (c) any other amounts not included in Revenues.

If the Board violates either covenant set forth above, such violation shall not be a default under the Indenture and shall not give rise to a declaration of an Event of Default if, within 360 days after the date such violation is discovered, (1) the Board obtains recommendations from a Consultant as to the revision of rates, tolls, fees, rentals and charges necessary to produce Pledged Revenues sufficient to cure such violation and (2) the Board makes such revisions to rates, tolls, fees, rentals and charges and to Operation and Maintenance Expenses insofar as practicable so as to produce Pledged Revenues to cure such violation.

Subordinated Obligations

The Board may, from time to time, incur indebtedness which is subordinate to the Bonds, referred to as Subordinated Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Board shall determine, provided that any lien on or security interest granted in the Pledged Revenues or other assets securing the Bonds shall be specifically stated to be junior and subordinate to the lien on and security interest in such Pledged Revenues and other assets granted to secure the Bonds and the Board's obligations under the Indenture, and payment of principal of and interest on such Subordinated Obligations shall be permitted, provided that all deposits required to be made to the Trustee to be used to pay debt service on the Bonds or to replenish Reserve Funds are then current.

Special Facilities and Special Obligations

The Board may, from time to time, (i) designate a separately identifiable existing facility or planned facility as a "Special Facility," (ii) incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing to a third party to acquire, construct, renovate or improve such facility, (iii) provide that the contractual payments derived from such Special Facility together with other income and revenues available to the Board from such Special Facility be "Special Facilities Revenue" and not included as Pledged Revenues and (iv) provide that the debt so incurred shall be a "Special Obligation" and the principal of and interest thereon shall be payable solely from the Special Facilities Revenue. The Board may from time to time refinance any such Special Obligations with other Special Obligations.

The Special Obligations shall be payable as to principal, redemption premium, if any, and interest solely from Special Facilities Revenue which shall include contractual payments derived by the Board under and pursuant to a contract relating to the Special Facility by and between the Board and another person, firm or corporation, either public or private, as shall undertake the operation of the Special Facility.

No Special Obligations shall be issued by the Board unless there shall have been filed with the Trustee a certificate of an Authorized Board Representative stating that the estimated Special Facilities Revenue of or pledged to the payment of obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Board and all sinking fund, reserve or other payments required by the resolution authorizing the Special Obligations as the same become due, the estimated Revenues and Net Pledged Revenues calculated without including the Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses will be sufficient so that the Board will be in compliance with the Indenture during each of the five Fiscal Years immediately following such disposition and no Event of Default then exists under the Indenture.

To the extent Special Facilities Revenue during any Fiscal Year shall exceed the amounts required to be paid for such Fiscal Year, such excess Special Facilities Revenue shall be deposited into the Port Revenue Fund and shall constitute Pledged Revenues.

At such time as the Special Obligations issued for a Special Facility including Special Obligations issued to refinance Special Obligations are fully paid or otherwise discharged, all revenues of the Board from such facility shall be included as Pledged Revenues.

Obligations Secured by Other Revenues

The Board may, from time to time, incur indebtedness payable solely from certain Revenues which do not constitute Pledged Revenues at such times and upon such terms and conditions as the Board shall determine, provided that such indebtedness shall specifically include a provision that payment of such indebtedness is neither secured by nor payable from Pledged Revenues. The Board may also, from time to time, incur indebtedness payable from and secured by both Pledged Revenues and certain Revenues which do not constitute Pledged Revenues at such times and upon such terms and conditions as the Board shall determine, provided that the conditions set forth in the Indenture for the issuance of indebtedness payable from and secured by Pledged Revenues are met.

Withdrawals from Port Revenue Fund

The Board, at least one Business Day prior to each Payment Date, shall withdraw from the Port Revenue Fund and pay to the Trustee the full amount required to make the interest and/or principal payments due on such Payment Date.

On any day on which the Trustee receives funds from the Board to be used to pay principal of or interest on Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Bonds for which such payments were made. If, on any Payment Date, the Trustee does not have sufficient amounts in the Debt Service Funds (without regard to any amounts which may be available from Reserve Funds) to pay in full all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day as follows: first to the payment of interest then due on the Bonds and, if the amount available shall not be sufficient to pay in full all interest on the Bonds then due, then pro rata among the Series according to the amount of interest then due and second to the payment of principal then due on the Bonds and, if the amount available shall not be sufficient to pay in full all principal on the Bonds then due, then pro rata among the Series according to the Principal Amount then due on the Bonds.

If a Reserve Fund or Reserve Funds (or a Credit Facility provided in lieu thereof) has been used to make payments on Bonds secured thereby, then the Board may be required by Supplemental Indenture to replenish such Reserve Fund or Reserve Funds or reimburse the Credit Provider from Pledged Revenues provided that (1) no amount from Pledged Revenues may be used for such purpose until all payments of principal of and interest on all Bonds which have become due and payable shall have been paid in full, (2) the required payments to replenish any Reserve Fund or reimburse the Credit Provider shall be due in no less than 12 substantially equal monthly installments commencing in the month following any such withdrawal and (3) if the aggregate amount of payments due on any date to replenish the Reserve Funds exceeds the amount available for such purpose, the payments made to the Trustee for such purpose shall be allocated among the various Reserve Funds pro rata on the basis of the Outstanding principal amount of Bonds secured thereby.

Notwithstanding the foregoing, the Board may, by Supplemental Indenture, provide for different provisions and timing of deposits with the Trustee and different methods of paying principal of or interest on Bonds depending upon the terms of such Bonds and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the Debt Service Fund created for the Series of Bonds for which such Credit Facility is provided.

Maintenance and Operation of Port

The Board covenants in the Indenture that the Port shall at all times be operated and maintained in good working order and condition and that all lawful orders of any governmental agency or authority having jurisdiction in the premises shall be complied with (provided the Board shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith), and that all licenses and permits necessary to construct or operate any of the Port Facilities shall be obtained and maintained and that all necessary repairs, improvements, replacements of the facilities constituting the Port shall be made, subject to sound business judgment. The Board will, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Board, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Port Facilities or upon any part thereof, or upon the Pledged Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Pledged Revenues or the Port Facilities or any part thereof constituting the Port.

Insurance; Application of Insurance Proceeds

Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions:

(1) the Board will procure and maintain or cause to be procured and maintained insurance with respect to the facilities constituting the Port and public liability insurance, in each case, in such amounts and against such risks as are, in the judgment of the Board, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance provided by similar ports; and

(2) the Board will place on file with the Trustee annually within 120 days after the close of each Fiscal Year a certificate of an Authorized Board Representative containing a summary of all insurance policies then in effect with respect to the Port and the operations of the Board.

If, as a result of any event, (1) one or more Port Facilities are destroyed or severely damaged and (2) such facilities were financed with the proceeds of any Senior Lien Bonds the interest on which is then excluded from gross income for federal income tax purposes, the Net Proceeds received as a result of such event of damage or destruction shall be used as provided in the applicable tax and non-arbitrage certificate or as otherwise advised by Bond Counsel.

Transfer of Port Facilities

The Board shall not, except as permitted below, transfer, sell or otherwise dispose of Port Facilities. Any transfer of an asset over which the Board retains or regains substantial control shall not, for so long as the Board has such control, be deemed a disposition of Port Facilities. Further, any lease, license, concession or similar arrangement entered into by the Board and granting others the right to use Port Facilities for any period in exchange for fair market value, as evidenced by a certificate of an Authorized Board Representative, shall not be deemed a transfer, sale, or disposition of Port Facilities.

The Board may transfer, sell or otherwise dispose of Port Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out; or

(b) The property proposed to be disposed of and all other Port Facilities disposed of in related transactions during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion of the Port determined as described below and the proceeds thereof are deposited into the Port Revenue Fund to be used as described below; or

(c) The Board receives fair market value for the property, as evidenced by a certificate of an Authorized Board Representative, the proceeds thereof are deposited into the Port Revenue Fund to be used for any lawful purpose and, prior to the disposition of such property, there is delivered to the Trustee a certificate of a Consultant approved by an Authorized Board Representative to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Board as evidenced by a certificate of an Authorized Board Representative, the Consultant estimates that the Board will be in compliance with the rate covenant set forth in the Indenture during each of the five Fiscal Years immediately following such disposition.

The term "Significant Portion" of the Port Facilities means Port Facilities which, if such facilities had been disposed of by the Board at the beginning of the Fiscal Year which includes the month of commencement of the 12-month period referred to in (b) above would have resulted in a reduction in Pledged Revenues for such Fiscal Year of more than 10% when the actual Pledged Revenues for such Fiscal Year are decreased by the Pledged Revenues directly attributable to such Port Facilities.

Port Facilities which were financed with the proceeds of any Bonds the interest on which is then excluded from gross income for federal income tax purposes shall not be disposed of, except under the terms of provision (a) above, unless the Board has first received an opinion of Bond Counsel to the effect that such disposition will not cause the interest on such Bonds to become includable in gross income for federal income tax purposes and the proceeds of such disposition shall be used as provided in the applicable tax and non-arbitrage certificate or as otherwise advised by Bond Counsel. This paragraph shall be applied without regard to the sentence above providing that any transfer of an asset over which the Board retains or regains substantial control shall not, for so long as the Board has such control, be deemed a disposition of Port Facilities.

No such disposition shall be permitted which would cause the Board to be in default of any other covenant contained in the Indenture.

Eminent Domain

If a Port Facility or Port Facilities are taken by eminent domain proceedings or conveyance in lieu thereof, the Board shall create within the Port Revenue Fund a special account and credit the Net Proceeds received as a result of such taking or conveyance to such account and shall within a reasonable period of time, not to exceed three years after the receipt of such amounts, use such proceeds to (1) replace the Port Facilities which were taken or conveyed, (2) provide additional revenue-producing Port Facilities, (3) redeem Bonds or (4) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in the Senior Lien Master Trust Indenture relating to defeasance.

Investments

Moneys held by the Trustee in the funds and accounts created under any Supplemental Indenture shall be invested and reinvested as directed by the Board in Permitted Investments subject to the restrictions set forth in such Supplemental Indenture and subject to the investment restrictions imposed upon the Board by the laws of the State of California. Earnings on the various funds and accounts created under a Supplemental Indenture shall be deposited into the Port Revenue Fund, except that (i) during the continuation of an Event of Default earnings on such funds and accounts shall be deposited into the Debt Service Funds created under the respective Supplemental Indentures, (ii) earnings on the Construction Funds may, if so provided by Supplemental Indenture, be retained in such Construction Fund, and (iii) earnings on Reserve Funds may, if so provided by Supplemental Indenture, be retained in such fund if there is a deficiency therein.

Defeasance

The Bonds or portions thereof which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the benefits of the Indenture except for the purposes of payment from moneys or Government Obligations held by the Trustee or a Paying Agent for such purpose. When all Bonds have been paid in full or are deemed to have been paid in full, and all other sums payable under the Indenture by the Board, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar and the Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the Pledged Revenues and the other assets pledged to secure such Bonds shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release the Indenture.

A Bond shall be deemed to be paid when payment of the principal, interest and premium, if any, either (a) shall have been made or caused to be made in accordance with the terms of such Bond and the Indenture or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment and/or (ii) noncallable Government Obligations, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment; provided, however, that no deposit under clause (b)(ii) shall be deemed a payment of such Bond until (a) proper notice of redemption of such Bond shall have been given or, in the event, under the terms of such Supplemental

Indenture, the date for giving such notice of redemption has not yet arrived, until the Board shall have given the Trustee irrevocable instructions to give such notice of redemption when appropriate and to notify all holders of the affected Bond that the deposit required by (b)(ii) above has been made with the Trustee and that such Bond is deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on such Bond or (b) the maturity of such Bonds.

Events of Default and Remedies

The Sixteenth Supplemental Trust Indenture amends the provision relating to events of default and remedies. By purchase of any 2020 Series R Senior Lien Bonds, the holders of such 2020 Series R Senior Lien Bonds shall be deemed to have consented to such amendment. The provision summarized below is the provision as amended.

Events of Default. Each of the following events is defined in the Indenture to constitute an "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in the Bond;

(d) a failure by the Board to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) above) contained in the Bonds or in the Indenture on the part of the Board to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Trustee as provided in the Indenture, or an extension of such 60-day period shall have been granted in accordance with the Indenture prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Board within such period and is being diligently pursued;

(e) the occurrence of certain bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings instituted by or against the City or the Board, and, if instituted against the City or the Board, said proceedings are consented to or are not dismissed within 60 days after such institution;

(f) the occurrence of any other Event of Default as is provided in a Supplemental Indenture.

Remedies. Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the Principal Amount of the applicable Bonds then Outstanding and receipt of indemnity to its satisfaction, shall:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Board to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act or any other law to which it is subject and the Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Indenture;

(ii) bring suit upon the applicable Bonds;

(iii) commence an action or suit in equity to require the Board to account as if it were the trustee of an express trust for the Bondholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Bondholders' Right To Direct Proceedings. Holders of a majority in Principal Amount of the applicable Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture to be taken in connection with the enforcement of the terms of the Indenture or exercising any trust or power conferred on the Trustee by the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and the Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Limitation on Right To Institute Proceedings. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Indenture, or any other remedy under the Indenture or on such Bonds, unless such Bondholder or Bondholders previously shall have given to the Trustee written notice of an Event of Default and unless also holders of 25% or more of the Principal Amount of the applicable Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to institute such suit, action or proceeding shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or under the Bonds, except in the manner provided in the Indenture, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Bondholders.

Application of Moneys. Any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of the Indenture (which shall not include moneys provided through a Credit Facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including attorneys' fees), shall be applied as follows to the extent permitted by law:

All such moneys shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum borne by the Bonds, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (ii) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at their respective rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of the Indenture, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds, shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

The Trustee

Standard of Care. If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that: (1) the Trustee shall not be liable for any error of judgment made in good faith by an officer unless the Trustee was negligent in ascertaining the pertinent facts; and (2) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders or the Board in the manner provided in the Indenture.

Notice of Defaults. If (i) an Event of Default has occurred or (ii) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the Board is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual knowledge of such Event of Default or event described in (ii) give notice thereof to each Bondholder. Except in the case of a default in payment or purchase of any Bond, the Trustee may withhold the notice if and so long as a committee of its officers in good faith determines that withholding such notice is in the interest of the Bondholders.

Bondholders' Indemnity of Trustee. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the holders of the Bonds, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by the Trustee in compliance with such request on direction.

Eligibility of Trustee. The Indenture shall always have a Trustee that is a trust company or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State of California, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Replacement; Successor Trustee by Merger. The Trustee may resign by notifying the Board in writing at least 60 days prior to the proposed effective date of the resignation. The holders of a majority in Principal Amount of the applicable Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the Board's consent. The Board may remove the Trustee, by notice in writing delivered to the Trustee 60 days prior to the proposed removal date; provided, however, that the Board shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the Board. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall have all the rights, powers and duties of the Trustee under the Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under the Indenture, the Board shall promptly appoint a successor Trustee. If a Trustee is not performing its duties under the Indenture and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the Board delivers notice of removal, the retiring Trustee, the Board or the holders of a majority in Principal Amount of the applicable Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation and meets the qualifications set forth in the Indenture, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

Accounting Records and Reports of the Trustee. The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds and all funds and accounts established pursuant to the Indenture. Such records shall be available for inspection by the Board on each Business Day during reasonable business hours and by any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances. The Trustee shall annually, within a reasonable period after the end of the Fiscal Year, furnish to the Board and to each Bondholder who shall have filed his name and address with the Trustee for such purpose (at such Bondholder's cost) a statement (which need not be audited) covering receipts, disbursements, allocation and application of Bond proceeds, Pledged Revenues and any other moneys in any of the funds and accounts established pursuant to the Indenture or any Supplemental Indenture for the preceding year.

Amendments

Amendments Without Consent of Bondholders. The Board may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Indentures supplementing and/or amending the Indenture or any Supplemental Indenture as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, the Indenture or any Supplemental Indenture, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the Board in the Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Board, provided such supplement or amendment shall not adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Trustee in and to the Pledged Revenues or in and to the funds and accounts held by the Trustee or in and to any other moneys, securities or funds of the Board provided pursuant to the Indenture or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any series of Bonds if such changes are authorized by the Supplemental Indenture at the time the series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(g) to modify, alter, amend or supplement the Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the Bondholders;

(h) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

(i) to qualify a Series of Bonds for a rating or ratings by Moody's and/or S&P;

(j) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Board from time to time deems appropriate to incur;

(k) to accommodate the use of a Credit Facility or Liquidity Facility for specific Bonds or a specific Series of Bonds;

(l) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Bonds, including, without limitation, the segregation of Pledged Revenues into different funds.

Before the Board shall, without Bondholder consent, execute any Supplemental Indenture, there shall have been delivered to the Board an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by the Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Board in accordance with its terms and will not cause interest on any of the Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

Amendments With Consent of Bondholders. Except for any amendments described above and any amendments affecting less than all series of Bonds as described in the following paragraph, the holders of not less than 51% in aggregate Principal Amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Board of any Supplemental Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in a Supplemental Indenture; provided, however, that, unless approved in writing by the holders of all such Bonds then Outstanding or unless such change affects less than all Series of Bonds and the following paragraph is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing contained in the Indenture, including the paragraph below, shall, unless approved in writing by the holders of all such Bonds then Outstanding, permit or be construed as permitting (iii) the creation of a lien (except as expressly permitted by the Indenture) upon or pledge of the Pledged Revenues created by the Indenture, ranking prior to or on a parity with the claim created by the Indenture, (iv) except with respect to additional security which may be provided for a particular series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds with respect to the security granted therefor, or (v) a reduction in the aggregate Principal Amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Indenture.

The Board may, from time to time and at any time execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture under which a series or multiple series of Bonds were issued. If such Supplemental Indenture is executed for one of the purposes set forth in "Amendments Without Consent of Bondholders" above, no notice to or consent of the Bondholders shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all series of Bonds Outstanding for purposes other than those set forth under "Amendments Without Consent of Bondholders," then the holders of not less than 51% in aggregate Principal Amount of the applicable Bonds of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Indenture and affecting only the Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Bonds of all the affected Series then Outstanding, nothing shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon.

Rights of Credit Provider

If a Credit Facility is provided for a Series of Bonds or for specific Bonds, the Board may by Supplemental Indenture provide to the Credit Provider, for so long as the Credit Provider is not in default of its payment obligations under its Credit Facility, (1) the right to make requests of, direct or consent to the actions of the Trustee or to otherwise direct proceedings under the Indenture to the same extent and in place of the owners of such Bonds which are secured by the Credit Facility, (2) the right to act in place of the owners of such Bonds which are secured by the Credit Facility for purposes of removing a Trustee or appointing a Trustee, and (3) with respect to a Credit Facility consisting of a policy of municipal bond insurance or similar noncancellable financial guaranty extending through the term of the applicable Bonds, the right to consent to the execution and delivery of any Supplemental Indenture requiring bondholder consent to the same extent and in place of the Bondholders of the Bonds that are secured by such policy of municipal bond insurance or similar financial guaranty and to be deemed to be the Bondholder of such Bonds for the said purposes; provided that, with respect to any amendment of the Indenture or a Supplemental Indenture as described in the Indenture, the consent of the actual applicable Bondholders shall be required in addition to any consent of the issuer of such policy of municipal bond insurance or similar financial guaranty that may be required with respect to the applicable Bonds.

Additional Bonds

The Sixteenth Supplemental Trust Indenture amends the provision relating to the issuance of Additional Bonds. By purchase of any 2020 Series R Senior Lien Bonds, the holders of such 2020 Series R Senior Lien Bonds shall be deemed to have consented to such amendment. The provision summarized below is the provision as amended.

Additional Bonds may be issued under the terms of the Indenture on a parity with all other Bonds (with respect to the pledge of Pledged Revenues), including but not limited to bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Board, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation in such agreements.

Additional Bonds may be issued under the Indenture on a parity with all other Bonds; provided that, among other things, there shall be delivered to the Trustee either:

(i) a certificate prepared by an Authorized Board Representative showing that the Net Revenues for any 12 consecutive months out of the 24 consecutive months preceding the issuance of the proposed Bonds or the first bonds of a Program were at least equal to 125% of Maximum Annual Debt Service for all Bonds which will be Outstanding and Bonds which will be Authorized immediately after the issuance of the proposed Bonds or implementation of such program; or

(ii) a certificate prepared by a Consultant showing that:

(1) the Net Revenues for any 12 consecutive months out of the 18 consecutive months preceding the issuance of the proposed Bonds or the first issuance of Bonds constituting part of a Program were at least equal to 125% of Maximum Annual Debt Service for all Bonds Outstanding and Authorized immediately before the issuance of the proposed Series or Implementation of such Program;

(2) for each Fiscal Year during the period from the date of delivery of such certificate until the latest Estimated Completion Date, the Consultant estimates that the Board will be in compliance with its rate covenants under the Indenture; and

(3) the estimated Net Revenues for each of the three Fiscal Years immediately following the last Estimated Completion Date for the Specified Projects will be at least equal to 125% of Maximum Annual

Debt Service for all Bonds which will be Outstanding and all Bonds which will be Authorized after the issuance of the proposed Bonds or Implementation of such Program.

For purposes of paragraphs (ii)(2) and (3) above, in estimating Net Revenues, the Consultant may take into account (1) reasonable Revenues from Specified Projects or Port Facilities reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which have been approved by the Board and will be in effect during the period for which the estimates are provided, (3) any other increases in Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operating and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, and taking into account, (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Specified Projects and any other new Port Facilities and (iii) such other factors, including inflation and changing operations or policies of the Board, as the Consultant believes to be appropriate. The Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Maximum Annual Debt Service, which calculations may be based upon information provided by another Consultant.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants may rely upon financial statements prepared by the Board which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Board Representative shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

Neither of the certificates described above shall be required if:

(a) the Bonds being issued are for the purpose of refunding Outstanding Bonds and the Trustee receives a certificate of an Authorized Board Representative showing that Maximum Annual Debt Service on all Bonds Outstanding or Bonds Authorized after the issuance of the refunding Bonds will not exceed Maximum Annual Debt Service on all Bonds Outstanding or Authorized prior to the issuance of such Bonds; or

(b) the Bonds being issued constitute Notes and the Trustee receives a certificate prepared by an Authorized Board Representative showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Pledged Revenues for any 12 consecutive months out of the 18 months immediately preceding the issuance of the proposed Notes, and the Trustee receives a certificate of an Authorized Board Representative showing that for each of the Fiscal Years during which such Notes will be Outstanding and taking into account the debt service becoming due on such Notes, the Board will be in compliance with its rate covenants under the Indenture; or

(c) the Bonds being issued are to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of Bonds being issued does not exceed the amount equal to 10% of the principal amount of Bonds originally issued for such Project and reasonably allocable to the Project to be completed, as shown in a certificate of an Authorized Board Representative, and the Trustee receives:

(1) a Consultant's certificate stating that the nature and purpose of such project have not materially changed, and

(2) a certificate of an Authorized Board Representative to the effect that (A) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Bonds issued to finance such project have been or will be used to pay Costs of the Project, and (B) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose).

No Personal Liability of Board Members and Officials; Limited Liability of Board to Bondholders

No covenant or agreement contained in the Bonds or the Senior Lien Indenture shall be deemed to be the covenant or agreement of any present or future board member, official, officer, agent or employee of the Board, in his individual capacity, and neither the members of the Board, the officers and employees of the Board, nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

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APPENDIX B-3

DEBT SERVICE RESERVE SURETY POLICY FOR INTERMEDIATE LIEN COMMON RESERVE FUND

The following information has been furnished by National Public Finance Guarantee Corporation ("National") for use in this Official Statement.

National does not accept any responsibility for the accuracy or completeness of any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding National and the MBIA Surety Bond as such term is defined below. Additionally, National makes no representation regarding the 2021 Series H Intermediate Lien Bonds or the advisability of investing in the 2021 Series H Intermediate Lien Bonds.

MBIA Insurance Corporation ("MBIA") issued the Debt Service Reserve Fund Surety Bond number 503860 (the "MBIA Surety Bond") which remains in full force and effect. National is the reinsurer of the MBIA Surety Bond pursuant to the Quota Share Reinsurance Agreement (the "Reinsurance Agreement"), effective as of January 1, 2009, by and between MBIA and MBIA Insurance Corp. of Illinois, renamed National Public Finance Guarantee Corporation. The Reinsurance Agreement provides a cutthrough provision enabling covered policyholders, including holders of the Surety Bond, to make claims for payment directly against National, and authorizes National to administer each of the policies covered under the Reinsurance Agreement. Pursuant to the Administrative Service Agreement, by and between MBIA and National, dated February 17, 2009 (the "Administrative Services Agreement"), National has assumed all rights in connection with the surveillance of the Surety Bond and has the power of attorney for MBIA to execute all documents related to the Surety Bond as agent for MBIA.

National Public Finance Guarantee Corporation ("National")

National is an operating subsidiary of MBIA Inc., a New York Stock Exchange listed company. MBIA Inc. is not obligated to pay the debts of or claims against National. National is domiciled in the State of New York and is licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Territory of Guam and the U.S. Virgin Islands.

The principal executive offices of National are located at 1 Manhattanville Road, Suite 301, Purchase, New York 10577 and the main telephone number at that address is (914) 765-3333.

Regulation

As a financial guaranty insurance company licensed to do business in the State of New York, National is also subject to the New York Insurance Law which, among other things, prescribes minimum capital requirements and contingency reserves against liabilities for National, limits the classes and concentrations of investments that are made by National and requires the approval of policy rates and forms that are employed by National. State law also regulates the amount of both the aggregate and individual risks that may be insured by National, the payment of dividends by National, changes in control with respect to National and transactions among National and its affiliates.

The Reserve Fund Surety Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Strength Ratings of National

On December 1, 2017, at the request of National, S&P Global Ratings withdrew its "A" financial strength rating on National. On January 17, 2018, Moody's downgraded the financial strength rating of National to Baa2 from A3 with a stable outlook. Moody's Investors Services, at its discretion and in the absence of a contract with National, continues to maintain ratings on National. On December 5, 2017, at the request of National, Kroll Bond Rating Agency withdrew its rating. Any further explanation as to the significance of the ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the 2021 Series H Intermediate Lien Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. National does not guaranty the market price of the 2021 Series H Intermediate Lien Bonds nor does it guaranty that the ratings on the 2021 Series H Intermediate Lien Bonds will not be revised or withdrawn.

Recent Litigation

In the normal course of operating its business, National may be involved in various legal proceedings. Additionally, MBIA Inc. may be involved in various legal proceedings that directly or indirectly impact National. For additional information concerning material litigation involving National and MBIA Inc., see MBIA Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ending June 30, 2020, which is hereby incorporated by reference into this appendix and shall be deemed to be a part hereof, as well as the information posted on MBIA Inc.'s web site at http://www.mbia.com.

MBIA Inc. and National are defending against/pursuing the aforementioned actions and expect ultimately to prevail on the merits. There is no assurance, however, that they will prevail in these actions. Adverse rulings in these actions could have a material adverse effect on National's ability to implement its strategy and on its business, results of operations and financial condition.

Other than as described above and referenced herein, there are no other material lawsuits pending or, to the knowledge of National, threatened, to which National is a party.

National Financial Information

Based upon statutory financials, as of June 30, 2020, National had total net admitted assets of $2.6 billion (unaudited), total liabilities of $1.0 billion (unaudited), and total surplus of $1.6 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

For further information concerning National, see the financial statements of MBIA Inc. and its subsidiaries as of December 31, 2019, prepared in accordance with generally accepted accounting principles, included in the Annual Report on Form 10-K of MBIA Inc. for the year ended December 31, 2019 and MBIA's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, which are hereby incorporated by reference into this appendix and shall be deemed to be a part hereof.

Incorporation of Certain Documents by Reference

The following documents filed by MBIA Inc. with the Securities and Exchange Commission (the "SEC") are incorporated by reference into this Official Statement:

MBIA Inc.’s Annual Report on Form 10-K for the year ended December 31, 2019;

MBIA Inc.’s Quarterly Report on Form 10-Q for the quarter ending June 30, 2020.

Any documents, including any financial statements of National that are included therein or attached as exhibits thereto, or any Form 8-K, filed by MBIA Inc. pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of MBIA Inc.’s most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K, and prior to the termination of the offering of the Bonds being remarketed hereby shall be deemed to be incorporated by reference in this appendix and to be a part hereof from the respective dates of filing such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this appendix, shall be deemed to be modified or superseded for purposes of this appendix to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this appendix.

MBIA Inc, files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of MBIA Inc.’s SEC filings (MBIA’s Quarterly Report on Form 10-Q for the quarter ending June 30, 2020 and MBIA Inc.’s Annual Report on Form 10-K for the year ended December 31, 2019) are available (i) over the Internet at the SEC’s web site at http://www.sec.gov; (ii) at the SEC’s public reference room in Washington D.C.; (iii) over the Internet at MBIA Inc.’s web site at http://www.mbia.com; and (iv) at no cost, upon request to National at its principal executive offices.

In the event the Insurer were to become insolvent, any claims arising under a policy of financial guaranty insurance are excluded from coverage by the California Insurance Guaranty Association, established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

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APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2021 Series H Intermediate Lien Bonds. The 2021 Series H Intermediate Lien Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2021 Series H Intermediate Lien Bond certificate will be issued for each maturity of the applicable series of 2021 Series H Intermediate Lien Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. No information contained on or that can be accessed through the DTC website is incorporated by reference into, or otherwise a part of, this Official Statement.

Purchases of 2021 Series H Intermediate Lien Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Series H Intermediate Lien Bonds on DTC's records. The ownership interest of each actual purchaser of a 2021 Series H Intermediate Lien Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Series H Intermediate Lien Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2021 Series H Intermediate Lien Bonds, except in the event that use of the book-entry system for the 2021 Series H Intermediate Lien Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Series H Intermediate Lien Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2021 Series H

Intermediate Lien Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Series H Intermediate Lien Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021 Series H Intermediate Lien Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2021 Series H Intermediate Lien Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Series H Intermediate Lien Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Intermediate Lien Master Trust Indenture. For example, Beneficial Owners of 2021 Series H Intermediate Lien Bonds may wish to ascertain that the nominee holding the 2021 Series H Intermediate Lien Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Intermediate Lien Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2021 Series H Intermediate Lien Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2021 Series H Intermediate Lien Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Intermediate Lien Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Series H Intermediate Lien Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the 2021 Series H Intermediate Lien Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Intermediate Lien Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Intermediate Lien Trustee or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Intermediate Lien Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Series H Intermediate Lien Bonds at any time by giving reasonable notice to the Port or the Intermediate Lien Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the 2021 Series H Intermediate Lien Bonds certificates are required to be printed and delivered.

The Port may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the 2021 Series H Intermediate Lien Bonds certificates will be printed and delivered to DTC.

The information in this Section concerning DTC and DTC's book-entry system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters or the Board.

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APPENDIX D

FORM OF APPROVING OPINION OF BOND COUNSEL

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February __, 2021

Board of Port Commissioners of
 the City of Oakland, California
530 Water Street
Oakland, California

RE: Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Oakland, acting by and through its Board of Port Commissioners (the "Board") in connection with the issuance by the Board of $182,010,000 aggregate principal amount of its Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT) (the "2021 Intermediate Lien Bonds").

In our capacity as such counsel, we have examined originals or copies of those records and documents we considered appropriate, including the following: (i) the Constitution and statutes of the State of California, (ii) Article VII of the Charter of the City of Oakland, California (the "Act"), (iii) that certain Intermediate Lien Master Trust Indenture, dated as of October 1, 2007, between the Board and U.S. Bank National Association, as trustee (the "Trustee"), as amended (the "Indenture"), (iv) a Fourth Supplemental Intermediate Lien Trust Indenture dated as of February 1, 2021, between the Board and the Trustee (the "Fourth Supplement"), (v) the 2021 Intermediate Lien Bonds, and (vi) the proceedings of the Board authorizing the 2021 Intermediate Lien Bonds. Except as otherwise indicated, capitalized terms used in this opinion and defined in the Indenture or the Fourth Supplement will have the meanings given in the Indenture or the Fourth Supplement.

As to relevant factual matters, we have relied upon, among other things, the Board's factual representations in the Certificate of the Board, dated as of the date hereof. In addition, we have obtained and relied upon those certificates of public officials we considered appropriate.

We have, with your approval, assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent the Board's obligations depend on the enforceability of the Indenture or the Fourth Supplement against the Trustee, we have assumed that the Indenture and the Fourth Supplement are enforceable against the Trustee.

On the basis of such examination, our reliance upon the assumptions contained in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The 2021 Intermediate Lien Bonds have been duly authorized and issued and constitute legally valid and binding obligations of the Board, enforceable against the Board in accordance with their terms and the terms of the Indenture and the Fourth Supplement, except as may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or

similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws); (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law; or (iii) limitations on the enforcement of legal remedies against public agencies in the State of California.

2. Each of the Indenture and the Fourth Supplement has been duly executed and delivered by the Board and constitutes the legally valid and binding obligation of the Board, enforceable against the Board in accordance with its terms, assuming due authorization, execution and delivery by the Trustee, except as may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws); (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law; or (iii) limitations on the enforcement of legal remedies against public agencies in the State of California.

3. The 2021 Intermediate Lien Bonds are limited obligations of the Board payable solely as to both principal and interest from and secured by a pledge of, lien on and security interest in (i) Intermediate Lien Pledged Revenues, and (ii) certain funds and accounts established under the Indenture and the Fourth Supplement. Neither the faith and credit nor the taxing power of the City of Oakland, the State of California or any public agency, other than the Board to the extent of the Intermediate Lien Pledged Revenues, is pledged to the payment of the principal of, or interest on, the 2021 Intermediate Lien Bonds. The Board has no power of taxation.

Our opinion in paragraph 1 above as to the enforceability of the 2021 Intermediate Lien Bonds assumes that the Trustee has duly authenticated the 2021 Intermediate Lien Bonds.

We express no opinion herein as to the priority of any liens or security interests created by the Indenture. In addition, no opinion is expressed herein on the accuracy, completeness or sufficiency of the offering material relating to the 2021 Intermediate Lien Bonds.

We express no opinion as to any provision of the Indenture or the Fourth Supplement requiring written amendments or waivers of the Indenture or the Fourth Supplement insofar as it suggests that oral or other modifications, amendments or waivers could not be effectively agreed upon by the parties or that the doctrine of promissory estoppel might not apply.

We express no opinion concerning federal or state securities laws or regulations.

We further express no opinion as to any federal or State of California tax consequences of the ownership of, receipt of interest on, or disposition of the 2021 Intermediate Lien Bonds.

The law covered by this opinion is limited to the present federal law of the United States and the present law of the State of California.

This opinion is furnished by us as Bond Counsel to the Board and may be relied upon by you only in connection with the issuance by the Board of the 2021 Intermediate Lien Bonds. It may not be used or relied upon by you for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent, although a copy of this opinion may be included in the transcript of proceedings related to the 2021 Intermediate Lien Bonds. This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This opinion speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws.

Respectfully submitted,

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APPENDIX E

FORM OF OPINION OF SPECIAL TAX COUNSEL

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February [__], 2021

Board of Port Commissioners of
the City of Oakland, California
530 Water Street
Oakland, California 94607

$182,010,000
Port of Oakland, California
Intermediate Lien Refunding Revenue Bonds
2021 Series H (AMT)
(Special Tax Counsel Opinion)

Ladies and Gentlemen:

We have acted as special tax counsel to the City of Oakland, acting by and through its Board of Port Commissioners (the "Board"), in connection with the issuance of the Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT) (the "Bonds") in the aggregate principal amount of $182,010,000, issued pursuant to an Intermediate Lien Master Trust Indenture, dated as of October 1, 2007 (as supplemented to the date hereof, the "Master Trust Indenture"), between the Board and U.S. Bank National Association, as trustee (the "Trustee"), and a Fourth Supplemental Intermediate Lien Trust Indenture, dated as of February 1, 2021 (the "Fourth Supplemental Indenture" and, together with the Master Trust Indenture, the "Indenture"), between the Board and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture; the Tax Certificate of the Board, dated the date hereof (the "Tax Certificate"); opinions of counsel to the Board and the Trustee; certificates of the Board, the Trustee, and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. In particular, we have relied on the opinion of O'Melveny & Myers LLP, bond counsel to the Board (the "Bond Counsel Opinion"), regarding, among other matters, the validity of the Bonds. In rendering the opinions expressed herein, we expressly have relied on the Bond Counsel Opinion that, among other matters, the Bonds are valid and binding obligations of the Board. We call attention to the fact that the interest on the Bonds may not be excluded from gross income for federal income tax purposes and that interest on the Bonds may not be exempt from State of California personal income taxes if the Bonds are not valid, binding and enforceable in accordance with their terms

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, all parties. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against cities in the State of California. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement of the Board with respect to the Bonds, dated __________, 20___, or any other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any Bond for any period that such Bond is held by a "substantial user" of the facilities financed or refinanced by the Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is a specific preference item for purposes of the federal alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Oakland, acting by and through the Board of Port Commissioners (the "Board"), in connection with the issuance of the Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT) (the "2021 Series H Intermediate Lien Bonds").

The 2021 Series H Intermediate Lien Bonds are issued pursuant to an Amended and Restated Intermediate Lien Master Trust Indenture, between the Board and U.S. Bank National Association, as trustee, dated as of October 1, 2007, as amended and supplemented (the "Intermediate Lien Master Trust Indenture"), including by a Fourth Supplemental Intermediate Lien Trust Indenture, dated as of February 1, 2021.

The Board covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners and in order to assist the Participating Underwriters in complying with the Rule (as hereinafter defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Intermediate Lien Master Trust Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person that has or shares the power, directly or indirectly, to make any investment decisions concerning ownership of any 2021 Series H Intermediate Lien Bonds, including persons holding 2021 Series H Intermediate Lien Bonds through nominees, depositories or other intermediaries.

"Bondholder" or "Holder" shall mean the person in whose name any 2021 Series H Intermediate Lien Bonds shall be registered.

"Dissemination Agent" shall mean the Board or any successor Dissemination Agent designated in writing by the Board and that has filed with the Board a written acceptance of such designation.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8) of this Disclosure Certificate, a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the Board's Official Statement dated November 19, 2020, as amended and supplemented from time to time, relating to the 2021 Series H Intermediate Lien Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the 2021 Series H Intermediate Lien Bonds required to comply with the Rule in connection with the offering of the 2021 Series H Intermediate Lien Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Dissemination Agent to, not later than 240 days after the end of the Board's fiscal year (which is currently June 30), commencing with the report for the fiscal year ended June 30, 2021, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate.

(1) The Board shall provide the Annual Report to the Dissemination Agent (if other than the Board) on or before the date required for filing as provided in subsection (a) above. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Report if they are not available by that date.

(2) If the Board's fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a form that can be accepted for filing by the MSRB and shall identify the 2021 Series H Intermediate Lien Bonds by name and CUSIP number.

(b) If the Board is unable to provide to the MSRB or to the Dissemination Agent (if other than the Board) an Annual Report by the date required in subsection (a), the Board shall send, or cause to be sent, a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Board) file a report with the Board certifying that the Annual Report has been provided to the MSRB pursuant to the Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The Board's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Board for the prior fiscal year, prepared in accordance with Generally Accepted Accounting Principles applicable to governmental entities. If the Board's audited financial statements are not available by the time the Annual Report is required to be provided pursuant to Section 3(a) of this Disclosure Certificate, the Annual Report shall contain unaudited financial statements in the format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the Board (and without duplication), historical financial information and operating data of the Board of the types listed below (for the avoidance of doubt, although projections are included in the Official Statement, no new projections shall be required for the Annual Reports):

- Table 10 — "Port of Oakland, Oakland International Airport Historical Enplanements by Airline"
- Table 11 — "Port of Oakland, Oakland International Airport Historical Landed Weight by Air Carrier"
- Table 12 — "Port of Oakland, Oakland International Airport Air Cargo Volumes";
- Table 14 — "Port of Oakland, Oakland International Airport Categories of Operating Revenue"
- Table 15 — "Port of Oakland, Oakland International Airport Top Ten Sources of Aviation Operating Revenue"
- Percentage of total cargo (in TEUs) handled at the Seaport constituting imports for such year
- Table 17 — "Port of Oakland, Maritime Division Containerized Cargo"
- Table 18 — "Port of Oakland Maritime Division Categories of Operating Revenue"
- Table 19 — "Port of Oakland Maritime Division Top Ten Sources of Maritime Operating Revenue"
- Table 22 — "Port of Oakland Commercial Real Estate Division Major Sources of Operating Revenue"
- Table 23 — "Port of Oakland Commercial Real Estate Division Top Ten Sources of Commercial Real Estate Operating Revenue"
- Table 24 — "Port of Oakland Historical Statements of Revenues, Expenses and Changes in Net Position"
- Table 26 — "Port of Oakland Historical Bond Debt Service Coverage"
- Employer contributions to CalPERS and employer contributions to OPEB Plan for such year

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the Board or related public entities, which have been made available to the public on the MSRB's website. The Board shall clearly identify each such other document so incorporated by reference.

The Board reserves the right to modify from time to time the format of the presentation of information provided pursuant to this Section to the extent necessary or appropriate in the judgment of the Board, provided that, in the Board's discretion, such modification shall be consistent with the Rule and the purposes of this Disclosure Certificate.

SECTION 5. Reporting of Significant Events.

(a) The Board shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2021 Series H Intermediate Lien Bonds in a timely manner not later than ten business days after the occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Unscheduled draws on debt service reserves reflecting financial difficulties;

(3) Unscheduled draws on credit enhancements reflecting financial difficulties;

(4) Substitution of credit or liquidity providers, or their failure to perform;

(5) Adverse tax opinions, issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(6) Tender offers;

(7) Defeasances;

(8) Rating changes;

(9) Bankruptcy, insolvency, receivership or similar event of the Board[*]; or

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties.

(b) The Board shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2021 Series H Intermediate Lien Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

[*] For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

(1) Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2021 Series H Intermediate Lien Bonds or other material events affecting the tax status of the 2021 Series H Intermediate Lien Bonds;

(2) Modifications to rights of the Bondholders;

(3) Optional, unscheduled or contingent 2021 Series H Intermediate Lien Bond calls;

(4) Release, substitution or sale of property securing repayment of the 2021 Series H Intermediate Lien Bonds.

(5) Non-payment related defaults;

(6) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(7) Appointment of a successor or additional trustee or the change of name of a trustee; or

(8) Incurrence of a Financial Obligation of the Board, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Board, any of which affect security holders.

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Board shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Board learns of the occurrence of a Listed Event described in Section 5(a), or determines that a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Board shall, or shall cause the Dissemination Agent to, promptly file within ten business days after the occurrence a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Events described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event given to Holders of affected 2021 Series H Intermediate Lien Bonds pursuant to the Intermediate Lien Master Trust Indenture.

(e) The Board intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2021 Series H Intermediate Lien Bonds. If such termination occurs prior to the final maturity of the 2021 Series H Intermediate Lien Bonds, the Board shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) of this Disclosure Certificate.

SECTION 8. Dissemination Agent. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Board) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out-of-pocket expenses (including but not limited to attorneys' fees). The Dissemination Agent (if other than the Board) shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be DAC Bond.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a) or 5(b) of this Disclosure Certificate, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or the interpretation thereof, or change in the identity, nature, or status of the Board, or type of business conducted by the Board;

(b) the undertakings herein, as proposed to be amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2021 Series H Intermediate Lien Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the Holders or Beneficial Owners of the 2021 Series H Intermediate Lien Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative, qualitative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or to include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Intermediate Lien Master Trust Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Board agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2021 Series H Intermediate Lien Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Participating Underwriters and the Holders and Beneficial Owners from time to time of the 2021 Series H Intermediate Lien Bonds, and shall create no rights in any other person or entity.

Dated: February 2, 2021

THE CITY OF OAKLAND, acting by and through its Board of Port of Commissioners

By: ____
Julie Lam
Acting Chief Financial Officer

Approved as to form and legality
this 2nd day of February, 2021.

By: ____________________________________
Michele Heffes, Port Attorney

Board Resolution No. 20-______
P.A. #: 2020-_____

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Port of Oakland, California

Name of Bond Issue: Port of Oakland, California Intermediate Lien Refunding Revenue Bonds 2021 Series H (AMT)

Date of Issuance: February 2, 2021

NOTICE IS HEREBY GIVEN that the City of Oakland, acting by and through its Board of Port Commissioners (the "Board"), has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the Board, dated February 2, 2021. [The Board anticipates that the Annual Report will be filed by ___________].

Date:

THE CITY OF OAKLAND, acting by and through its Board of Port Commissioners

By: ______________________________________
Authorized Signatory
Title

APPENDIX G

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The Port of Oakland (the "Port") is located within the City of Oakland and the County of Alameda, the second most populous county in the Bay Area behind the County of Santa Clara. For purposes of this Appendix F, the Bay Area includes the counties of Alameda, San Francisco, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma (the "Bay Area").

Historic Population and Employment Trends

Historical and current population estimates for the Bay Area is given below.

Table G-1
Historical Population By County[(1)]

County	2014	2015	2016	2017	2018	2019
Alameda	1,607,792	1,634,538	1,650,950	1,660,196	1,666,756	1,671,329
Contra Costa	1,108,876	1,124,405	1,137,268	1,145,535	1,150,519	1,153,526
Marin	260,359	260,916	260,562	259,749	259,662	258,826
Napa	140,405	140,862	140,840	139,878	138,789	137,744
San Francisco	850,750	863,010	871,512	878,040	880,696	881,549
San Mateo	757,204	765,055	767,906	768,901	768,681	766,573
Santa Clara	1,891,753	1,916,285	1,928,368	1,932,510	1,932,337	1,927,852
Solano	429,006	433,409	438,858	443,511	445,725	447,643
Sonoma	498,560	500,863	502,547	502,469	498,643	494,336
Total	7,544,705	7,639,343	7,698,811	7,730,789	7,741,808	7,739,378

[(1)] Estimates are as of July 1 of each year.
Source: U.S. Census Bureau, Population Division.

Industry and Employment

The following table presents employment data for certain major employers.

Table G-2
Major Employers[1]

Employer	Number of Bay Area Employees[2]
Kaiser Permanente	46,749
Sutter Health	18,710
Facebook Inc.	15,407
Safeway Northern California Division	14,999
Wells Fargo & Co.	12,533
Genentech	10,023
Tesla Inc.	10,000
Salesforce	9,450
PG&E Corp.	9,300
Allied Universal	8,487
Oracle Corp.	7,656
United Airlines	6,153
John Muir Health	6,012
Chevron Corp.	5,187
Workday	4,565
Visa	4,389
Bank of America	4,297
Uber Technologies Inc.	4,008
Gap Inc.	4,000
Gilead Sciences	4,000

[1] This list includes nonprofits, privately held and publicly-held companies in the "Bay Area," which for purposes of this table includes the counties of Alameda, Contra Costa, Marin, San Francisco and San Mateo. The list does not include public agencies.
[2] Ranked by total headcount.
Source: San Francisco Business Times ("SFBT"); information was obtained from company representatives, Comprehensive Annual Financial Reports for various cities and counties, websites and SFBT research from December 2019 through July 2020.

The table on the following page shows average industry employment and labor force data for the Bay Area.

Table G-3
Average Industry Employment and Labor Force
Bay Area
(Not Seasonally Adjusted)

	County Average(1)(2)								
	Alameda	**Contra Costa**	**Marin**	**Napa**	**San Francisco**	**San Mateo**	**Santa Clara**	**Solano**	**Sonoma**
TOTAL FARM	600	800	400	5,200	200	1,400	3,100	1,400	6,500
TOTAL NONFARM	811,500	373,800	116,900	75,000	762,800	415,200	1,131,800	143,700	209,400
Construction(3)			7,700				51,000	12,600	16,500
Educational and Health Services	126,500	71,200	21,300	10,300	93,000	52,100	174,000	29,000	35,800
Financial Activities	28,000	27,200	5,600	2,200	62,300	23,900	37,400	5,200	8,800
Government	124,500	50,800	15,800	10,300	99,100	32,800	94,200	24,800	29,600
Information	20,700	7,200	2,600	300	51,500	45,600	100,700	1,200	2,600
Leisure and Hospitality	76,800	43,300	16,100	13,800	102,000	45,700	104,900	16,100	25,800
Manufacturing	83,500	16,100	5,300	13,700	13,700	25,500	169,700	12,400	23,400
Mining and Logging(4)							200	500	200
Natural Resources, Mining, and Construction(3)(4)	49,800	26,000	7,700	4,700	23,800	20,000		13,100	16,700
Other Services	27,600	13,600	5,700	2,100	28,100	13,400	28,700	4,800	7,200
Professional and Business Services	135,700	56,200	18,300	7,200	205,600	85,500	241,800	10,100	23,500
Trade, Transportation and Utilities	138,500	62,200	18,500	10,400	83,800	70,600	129,200	27,200	36,100

(1) Totals may not foot due to rounding.
(2) Data available for calendar year 2019.
(3) Marin, Santa Clara, Solano and Sonoma Counties classify "Construction" as a separate industry. Alameda, Contra Costa, Napa, San Francisco, and San Mateo Counties include the construction labor force in the "Natural Resources, Mining, and Construction" industry.
(4) Santa Clara, Solano and Sonoma Counties classify "Mining and Logging" as a separate industry. Alameda, Contra Costa, Marin, Napa, San Francisco, and San Mateo Counties include the mining and natural resource labor force in the "Natural Resources, Mining, and Construction" industry.
Source: California Employment Development Department, Labor Market Division.

The following tables show the historical unemployment statistics for the Bay Area.

Table G-4
Historical Unemployment Rate

County	2014(1)	2015(1)	2016(1)	2017(1)	2018(1)	2019(1)	2020 (August)(2)
Alameda	5.8	4.7	4.3	3.7	3.1	2.9	9.8
City and County of San Francisco	4.4	3.6	3.3	2.9	2.4	2.2	8.8
Contra Costa	6.2	5.0	4.5	3.8	3.2	3.1	9.8
Marin	4.3	3.6	3.3	2.9	2.4	2.3	7.0
Napa	5.7	4.6	4.3	3.6	3.0	2.8	8.3
San Mateo	4.2	3.4	3.0	2.7	2.3	2.0	7.5
Santa Clara	5.2	4.1	3.8	3.2	2.7	2.5	7.5
Solano	7.5	6.1	5.5	4.8	4.0	3.7	10.3
Sonoma	5.6	4.5	4.0	3.4	2.8	2.7	7.7

(1) As of April 17, 2020
(2) Preliminary, as of September 30, 2020
Source: U.S. Bureau of Labor Statistics.

Table G-5
Historical Unemployment

County	2014(1)	2015(1)	2016(1)	2017(1)	2018(1)	2019(1)	2020 (August)(2)
Alameda	46,986	38,837	35,681	30,833	25,816	24,671	79,169
City and County of San Francisco	23,102	19,720	18,292	16,507	13,714	12,774	49,845
Contra Costa	33,286	27,382	24,745	21,435	18,101	17,261	52,434
Marin	5,921	4,928	4,579	4,023	3,425	3,193	9,270
Napa	4,164	3,406	3,130	2,671	2,197	2,104	5,943
San Mateo	17,989	14,830	13,472	12,107	10,157	9,397	32,985
Santa Clara	50,995	41,997	38,759	33,421	27,712	26,196	76.860
Solano	15,249	12,543	11,401	9,925	8,283	7,855	20,681
Sonoma	14,359	11,552	10,307	8,783	7,267	6,966	19,530

(1) As of April 17, 2020
(2) Preliminary, as of September 30, 2020
Source: U.S. Bureau of Labor Statistics.

Personal Income

The following table presents personal income and per capita personal income for Bay Area counties.

Table G-6
Personal Income and Per Capita Personal Income within the Bay Area 2016 through 2018

	Personal Income (Thousands of Dollars)			2016-2018 Change	Per Capita Personal Income			2016-2018 Change
County	2016	2017	2018		2016	2017	2018	
Alameda	111,506,378	118,655,307	127,746,433	14.6%	67,567	71,560	76,644	13.4%
City and County of San Francisco	100,106,827	107,063,503	115,444,581	15.3%	114,697	121,778	130,696	13.9%
Contra Costa	82,426,924	88,024,256	94,900,003	15.1%	72,483	76,886	82,506	13.8%
Marin	30,863,148	32,395,707	34,866,708	13.0%	118,416	124,731	134,275	13.4%
Napa	9,541,227	9,797,716	10,454,107	9.6%	67,580	69,791	74,984	11.0%
San Mateo	82,356,649	90,249,278	97,264,611	18.1%	107,207	117,389	126,392	17.9%
Santa Clara	178,495,972	193,680,090	209,019,944	17.1%	92,505	100,177	107,877	16.6%
Solano	20,646,738	21,467,887	23,073,555	11.8%	46,999	48,364	51,664	9.9%
Sonoma	28,969,869	30,280,366	32,246,609	11.3%	57,566	60,170	64,501	12.0%

Source: U.S. Bureau of Economic Analysis, November 2019.

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PORT OF OAKLAND, CALIFORNIA •INTERMEDIATE LIEN REFUNDING REVENUE BONDS 2021 SERIES H (AMT) (FORWARD DELIVERY)

PORT OF OAKLAND

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