FILE NO. 001191 RESOLUTION NO. 811-00

[Airport Revenue Bonds]

APPROVING THE ISSUANCE OF UP TO $671,165,000 ADDITIONAL AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING CERTAIN INFRASTRUCTURE IMPROVEMENTS AT SAN FRANCISCO INTERNATIONAL AIRPORT, APPROVING THE ISSUANCE OF AIRPORT COMMISSION DEBT OBLIGATIONS PURSUANT TO THE INTERNAL REVENUE CODE OF 1986, APPROVING THE NINTH SUPPLEMENTAL RESOLUTION OF THE AIRPORT COMMISSION AND APPROVING CERTAIN RELATED CONTRACTS

WHEREAS, The Airport Commission, by its Resolution No. 91-0210, adopted on December 3, 1991 (as supplemented and amended, the "Master Bond Resolution"), has authorized the issuance of San Francisco International Airport Second Series Revenue Bonds for any lawful purpose of the Airport Commission; and,

WHEREAS, The Airport Commission, by its Resolution No. 97-0104, adopted on April 15, 1997 (the "Sixth Supplemental Resolution"), supplemented and amended the Master Bond Resolution to authorize and approve the issuance by the Airport Commission of up to $220,000,000 aggregate principal amount of its San Francisco International Airport Second Series Revenue Bonds (the "Infrastructure Bonds") for the purpose of financing and refinancing the acquisition, construction, equipping and development of certain additional capital projects at the Airport other than the Near- Term Master Plan Projects, as well as funding a debt service reserve fund and paying costs of issuance and other incidental costs; and,

WHEREAS, This Board of Supervisors, by its Resolution No. 621-97, adopted on June 23, 1997, and signed by the Mayor on June 27, 1997, approved the issuance by the Airport Commission of the Infrastructure Bonds in a total principal amount not to exceed

$220,000,000; and

WHEREAS, The Airport Commission, by its Resolution No. 98-0284, adopted on November 17, 1998 (the "Eighth Supplemental Resolution"), supplemented and amended the Master Bond Resolution, including the Sixth Supplemental Resolution to authorize and approve the issuance by the Airport Commission of up to $385,000,000 aggregate principal amount of its Infrastructure Bonds, consisting of $165,000,000 aggregate principal amount of additional authorization, together with the $220,000,000 aggregate principal amount of Infrastructure Bonds originally authorized pursuant to the Sixth Supplemental Resolution, for the purpose of financing and refinancing the acquisition, construction, equipping and development of certain additional capital projects at the Airport other than the Near-Term Master Plan Projects, as well as funding a debt service reserve fund and paying costs of issuance and other incidental costs; and,

WHEREAS, This Board of Supervisors, by its Resolution No. 224-99, adopted on March 15, 1999, and signed by the Mayor on March 26, 1999, approved the issuance by the Airport Commission of the Infrastructure Bonds in a total principal amount not to exceed $385,000,000; and

WHEREAS, The Airport Commission, by its Resolution No. 00-0154, adopted on September 19, 2000 (the "Ninth Supplemental Resolution"), supplemented and amended the Master Bond Resolution, including the Sixth Supplemental Resolution and the Eighth Supplemental Resolution, to authorize and approve the issuance by the Airport Commission of up to $1,056,165,000 aggregate principal amount of its Infrastructure Bonds, consisting of $671,165,000 aggregate principal amount of additional authorization, together with the $220,000,000 aggregate principal amount of Infrastructure Bonds originally authorized pursuant to the Sixth Supplemental Resolution and the $165,000,000 aggregate principal amount of Infrastructure Bonds originally authorized pursuant to the Eighth Supplemental

Resolution, for the purpose of financing and refinancing the acquisition, construction, equipping and development of certain additional capital projects at the Airport other than the Near-Term Master Plan Projects, as well as funding a debt service reserve fund and paying costs of issuance and other incidental costs; and,

WHEREAS, Section 4.115 of the Charter provides that the Airport Commission has the exclusive authority to plan and issue airport revenue bonds for airport-related purposes, subject to the approval, amendment or rejection of this Board of Supervisors of each issue; and,

WHEREAS, Section 2.62 of the Administrative Code of the City and County of San Francisco provides that such revenue bonds shall bear a rate of interest not to exceed that which may be fixed and prescribed by the Airport Commission, subject to the approval or rejection of this Board of Supervisors; and

WHEREAS, The Infrastructure Bonds are not Master Plan Bonds; and,

WHEREAS, The interest on the Infrastructure Bonds and other debt obligations issued by the Commission (collectively, the "Obligations"), including, but not limited to, other Bonds issued pursuant to the Master Bond Resolution, commercial paper issued pursuant to Resolution No. 97-0146 adopted by the Commission on May 17, 1997, as supplemented by Resolution No. 97-0147, adopted by the Commission on May 17, 1997, as previously amended and as amended and restated by Resolution No. 99-0299 adopted by the Commission on September 21, 1999, special facilities bonds issued by the Commission, and debt obligations of the Commission issued to refund any debt obligations, may qualify for exclusion from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") only if such Obligations are approved in accordance with Section 147(f) of the Code; and,

WHEREAS, This Board of Supervisors is the elected legislative body of the City and is the applicable elected representative required to approve the Obligations for purposes of Section 147(f) of the Code; and,

WHEREAS, Notice of a public hearing with respect to the Obligations to be issued by the Airport Commission was published not less than fourteen (14) days prior to said public hearing, in the official newspaper of the City, being a newspaper of general circulation available to the residents of the City; and,

WHEREAS, On June 27, 2000, a public hearing was held pursuant to such notice before the Assistant Deputy Airport Director for Finance, and an opportunity was provided for interested persons to present arguments for and against the issuance of such Obligations and the nature and location of the projects to be financed or refinanced with the proceeds thereof; and,

WHEREAS, Pursuant to the Ninth Supplemental Resolution the Commission has authorized the substitution of one or more bond insurance surety policies for all or any portion of any cash funded reserve funds or accounts held in connection with revenue bonds issued by the Commission and has approved the forms of guaranty agreements presented to this meeting and on file with the Clerk of the Board of Supervisors and the execution and delivery thereof as is necessary to effectuate such substitutions; and,

WHEREAS, Section 9.118 of the Charter provides that certain contracts or agreements entered into by a department, board or commission having a term in excess of ten years shall be subject to the approval of this Board of Supervisors; and

WHEREAS, The Ninth Supplemental Resolution has been submitted to this Board of Supervisors; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby declares that each of the foregoing recitals is true and correct and is a representation of the Board of Supervisors; and be it further

RESOLVED, That the issuance by the Airport Commission of the Infrastructure Bonds for the purposes of financing and refinancing the costs of the acquisition, construction, equipping and development of certain additional capital projects at the Airport other than the Near-Term Master Plan Projects, as well as funding a debt service reserve fund and paying costs of issuance and other incidental costs, is hereby approved in accordance with Section 4.115 of the Charter. The total principal amount of the Infrastructure Bonds, including the $220,000,000 aggregate principal amount of Infrastructure Bonds previously approved pursuant to Resolution No. 621-97 and the $165,000,000 of additional Infrastructure Bonds previously approved pursuant to Resolution No. 224-99, shall not exceed $1,056,165,000; and be it further

RESOLVED, That the Ninth Supplemental Resolution, as adopted by the Airport Commission, is hereby approved; and be it further

RESOLVED, That the Infrastructure Bonds shall be issued pursuant to the Master Bond Resolution and the Sixth Supplemental Resolution, as supplemented and amended by the Eighth Supplemental Resolution and the Ninth Supplemental Resolution and such additional Supplemental Resolutions of the Airport Commission as the Airport Commission shall deem necessary or desirable and as shall be approved by the City Attorney, which approval shall be conclusively evidenced by the signature of the City Attorney on each such Supplemental Resolution; and be it further

RESOLVED, That twelve percent (12%) per annum is hereby approved as the maximum interest rate for the Infrastructure Bonds (excluding Infrastructure Bonds designated as taxable pursuant to the Sixth Supplemental Resolution as amended and supplemented by the Eighth Supplemental Resolution and the Ninth Supplemental Resolution). Fifteen percent (15%) per annum is hereby approved as the maximum interest rate on any Infrastructure Bonds designated as taxable pursuant to the Sixth Supplemental

Resolution as amended and supplemented by the Eighth Supplemental Resolution and the Ninth Supplemental Resolution; and be it further

RESOLVED, That it is the purpose and intent of the Board of Supervisors that this Resolution constitute the approval of the Obligations by the appropriate applicable elected representative for purposes of, and in accordance with, Section 147(f) of the Code; and be it further

RESOLVED, That the entering into by the Commission of guaranty agreements substantially in the forms presented to this meeting, upon consultation with and approval of any changes thereto, and specific terms by, the City Attorney, including, without limitation, the incorporation of such additional provisions as may be required by applicable ordinances of the City, such approval to be evidenced conclusively by the execution and delivery of such document or documents is hereby approved in accordance with Charter Section 9.118; and be it further

RESOLVED, That the approvals contained in this Resolution shall extend to any amendments to the Master Bond Resolution and the Ninth Supplemental Resolution and all resolutions of the Airport Commission supplemental thereto, as well as to such additional resolutions as the Airport Commission may adopt for the purpose of implementing the issuance, sale and delivery of the Infrastructure Bonds. The approvals contained in this Resolution shall continue to apply to the Infrastructure Bonds in the event such Bonds are renamed or renumbered by the Commission pursuant to the Sixth Supplemental Resolution, as supplemented and amended by the Eighth Supplemental Resolution and the Ninth

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Supplemental Resolution.

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By______________________
Deputy City Attorney

City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 001191 **Date Passed:**

Resolution approving the issuance of up to $671,165,000 additional aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing or refinancing certain infrastructure improvements at San Francisco International Airport, approving the issuance of Airport Commission debt obligations pursuant to the Internal Revenue Code of 1986, approving the Ninth Supplemental Resolution of the Airport Commission and approving certain related contracts.

September 25, 2000 Board of Supervisors — ADOPTED

Ayes: 9 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yee
Absent: 1 - Yaki
Excused: 1 - Becerril

File No. 001191

I hereby certify that the foregoing Resolution was ADOPTED on September 25, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

OCT - 6 2000

Date Approved

Mayor Willie L. Brown Jr.