

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 23-0083

BOND RESOLUTION CONFIRMING AND EXTENDING PRIOR COMMISSION RESOLUTIONS REGARDING THE AIRPORT'S BONDS AND SUBORDINATE BONDS, AUTHORIZING ADDITIONAL REFUNDING BONDS AND AUTHORIZING BONDS TO REFUND EXISTING SPECIAL FACILITY BONDS, AND DELEGATING TO THE AIRPORT DIRECTOR AUTHORITY TO UNDERTAKE CERTAIN OTHER DEBT-RELATED MATTERS

WHEREAS, the Airport Commission (Commission) of the City and County of San Francisco (City), on December 3, 1991, duly adopted its Resolution No. 91-0210, providing for the issuance of San Francisco International Airport Second Series Revenue Bonds (which Resolution, as supplemented and amended including by Resolution No. 17-0236, adopted by the Commission on October 3, 2017, is herein called the 1991 Resolution); and

WHEREAS, the Commission, by the 1991 Resolution, has authorized the issuance from time to time of San Francisco International Airport Second Series Revenue Bonds (the 1991 Resolution Bonds) for any lawful purpose of the Commission; and

WHEREAS, the Commission has previously authorized the issuance from time to time of 1991 Resolution Bonds for various purposes and with various terms pursuant to resolutions which supplement the 1991 Resolution, and now desires to ratify, approve and confirm such resolutions and the authorizations therein; and

WHEREAS, pursuant to Section 9.01(f) of the 1991 Resolution, the Commission by Supplemental Resolution may make any change or addition to the 1991 Resolution to provide for the issuance of, and to set the terms and conditions of, each additional series of 1991 Resolution Bonds under the 1991 Resolution; and

WHEREAS, the Commission, on May 20, 1997, duly adopted its Resolution No. 97-0146, providing for the issuance of San Francisco International Airport Subordinate Revenue Bonds (which Resolution, as supplemented and amended, is herein called the 1997 Resolution); and

WHEREAS, the Commission, by the 1997 Resolution, has authorized the issuance from time to time of bonds, including commercial paper notes, on a basis subordinate to the 1991 Resolution Bonds (the Subordinate Bonds) for any lawful purpose of the Commission; and

WHEREAS, the Commission, by Resolution No. 97-0147, as supplemented and amended, including as amended and restated by Resolution No. 09-0088, adopted by the Commission on May 5, 2009, has previously authorized the issuance of Subordinate Bonds in the form of commercial paper notes for the purposes of funding lawful expenditures of the Airport, and now desires to ratify, approve and confirm such resolutions and the authorizations therein; and

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WHEREAS, the Commission has previously authorized the execution and delivery of certain agreements related to the 1991 Resolution Bonds and the Subordinate Bonds, and further desires to ratify, approve and confirm such other authorizations; and

WHEREAS, the Commission has previously issued certain Special Facilities Bonds (as defined in the 1991 Resolution) for the benefit of SFO FUEL COMPANY LLC (the SFO Fuel Bonds), and now desires to authorize the issuance of additional SFO Fuel Bonds to refund the outstanding bonds; and

WHEREAS, the Commission has previously issued certain Special Facilities Bonds to finance the construction of the Airport Hotel (the SFO Hotel Bonds) and certain 1991 Resolution Bonds (Airport Capital Plan Bonds) in connection therewith, and now desires to authorize the issuance of additional SFO Hotel Bonds to refund the outstanding SFO Hotel Bonds; now, therefore be it,

RESOLVED, that this Commission authorize the following:

Section 1. Defined Terms. Capitalized terms used but not otherwise defined in this Resolution shall have the meanings set forth in the 1991 Resolution. The resolutions ratified, approved and confirmed by this Resolution are referred to herein collectively as the Ratified Resolutions. The 1991 Resolution Bonds, the Subordinate Bonds, the SFO Fuel Bonds and the SFO Hotel Bonds are collectively referred to herein as the Bonds.

Section 2. 1991 Resolution and 1997 Resolution. The 1991 Resolution and the 1997 Resolution are each hereby ratified, approved and confirmed.

Section 3. Capital Plan Bonds. The Commission, by Resolution No. 08-0035, adopted on February 19, 2008 (as amended by Resolution No. 12-0050, adopted on March 20, 2012), Resolution No. 09-0137, adopted on June 2, 2009 (as amended by Resolution No. 13-0013, adopted on January 30, 2013), Resolution No. 10-0307, adopted on October 5, 2010, Resolution No. 11-0209, adopted on September 20, 2011, Resolution No. 13-0013, adopted on January 30, 2013, Resolution No. 14-0024, adopted on February 18, 2014, Resolution No. 14-0147, adopted on July 22, 2014, Resolution No. 15-0182, adopted on September 22, 2015, Resolution No. 16-0226, adopted on August 23, 2016, Resolution No. 16-0274, adopted on November 1, 2016, Resolution No. 17-0044, adopted on March 7, 2017, Resolution No. 17-0237, adopted on October 3, 2017, Resolution No. 18-0089, adopted on April 3, 2018, Resolution No. 18-0090, adopted on April 3, 2018, Resolution No. 18-0384, adopted on December 4, 2018, Resolution No. 19-0172, adopted on July 16, 2019, Resolution No. 19-0260, adopted on October 15, 2019, and Resolution No. 21-0228, adopted on December 7, 2021, (collectively, as supplemented and amended, the Capital Plan Bond Resolutions), authorized the issuance of up to \$10,826,725,000 aggregate principal amount of Capital Plan Bonds for the purposes set forth in the Capital Plan Bond Resolutions. The

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Commission has previously issued \$6,576,955,000 of such Capital Plan Bonds, and \$4,249,770,000 remains authorized but unissued. The Commission hereby ratifies, approves and confirms the Capital Plan Bond Resolutions and such remaining authorization, and such resolutions shall remain in full force and effect except as modified by this Resolution. Capital Plan Bonds issued pursuant to the authorization hereunder shall be issued on or before June 30, 2028 and otherwise be issued in accordance with the Commission's Debt Policy.

Section 4. Refunding Bonds. The Commission, by Resolution No. 98-0114, adopted on May 19, 1998, as supplemented and amended (the Seventh Supplemental Resolution), including by Resolution No. 02-0010, adopted on January 8, 2002 (the Tenth Supplemental Resolution), Resolution No. 03-0220, adopted on October 21, 2003 (the Eleventh Supplemental Resolution), Resolution No. 04-0220, adopted on November 2, 2004 (the Twelfth Supplemental Resolution), Resolution No. 05-0181, adopted on October 11, 2005 (as amended by Resolution No. 07-0043, adopted on February 20, 2007 and by Resolution No. 08-0185, adopted on October 7, 2008), Resolution No. 08-0152, adopted on August 19, 2008 (the Fourteenth Supplemental Resolution), Resolution No. 10-0304, adopted on October 5, 2010, Resolution No. 10-0307, adopted on October 5, 2010, Resolution No. 11-0209, adopted on September 20, 2011, Resolution No. 16-0025, adopted on January 19, 2016, Resolution No. 17-0237, adopted on October 3, 2017, Resolution No. 18-0109, adopted on April 24, 2018, Resolution No. 19-0172, adopted on July 16, 2019, Resolution No. 20-0120, adopted on July 7, 2020, Resolution No. 21-0049, adopted on March 16, 2021, and Resolution No. 21-0228, adopted on December 7, 2021 (each as supplemented and amended collectively, the Refunding Bond Resolutions), authorized the issuance of up to \$11,060,000,000 aggregate principal amount of Refunding Bonds for the purposes set forth in the Refunding Bond Resolutions. The Commission has previously issued \$9,912,340,000 of such Refunding Bonds, and \$1,147,660,000 remains authorized but unissued. The Commission hereby authorizes the issuance of Refunding Bonds for the purpose of providing the purchase price for a tender or exchange of any of the Commission's 1991 Master Resolution Bonds. The Commission ratifies, approves and confirms the Refunding Bond Resolutions and such remaining authorization, and such resolutions shall remain in full force and effect except as modified by this Resolution. The Commission hereby authorizes the issuance of up to \$17,120,195,000 principal amount of its Refunding Bonds (such amount inclusive of \$1,147,660,000 authorized but remaining unissued Refunding Bonds); provided however any Refunding Bonds issued pursuant to this authorization shall be issued on or before June 30, 2028, and shall otherwise be issued in accordance with the Airport Commission's Debt Policy. The amount of Refunding Bonds authorization hereunder hereby supersedes the authority provided in the Refunding Bond Resolutions.

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Section 5. Purchase of Bonds by the Commission. The Airport Director for and on behalf of and in the name of the Commission is hereby authorized and directed to purchase, with the proceeds of Refunding Bonds, SFO Fuel Bonds or SFO Hotel Bonds, through the issuance of Refunding Bonds, SFO Fuel Bonds or SFO Hotel Bonds in exchange for such Bonds or from any legally available funds any, 1991 Resolution Bonds, Subordinate Bonds, SFO Fuel Bonds or SFO Hotel Bonds of the Commission either tendered by the holders thereof for purchase or through purchase on the open market, under such circumstances and on such terms as the Airport Director determines are in the best interest of the Airport, upon consultation with the Airport's municipal advisors and the City Attorney, including purchase of tendered bonds and purchase of bonds in lieu of defeasance or redemption.

Section 6. Variable Rate Bonds – Interest Period and Mode Changes. The Airport Director, for and on behalf of and in the name of the Commission, is authorized and directed to execute and deliver such documents and take such actions as may be necessary or desirable and in the best interests of the Airport and not otherwise inconsistent with the purposes of this Resolution and the adopted policies of the Commission to change, from time to time, the Interest Period or Mode (including the Fixed Rate Mode) on all or any portion of outstanding Variable Rate Bonds to any other Interest Period or Mode permitted under the 1991 Resolution, and to cause the remarketing of such outstanding Variable Rate Bonds in the new Interest Period or Mode. In connection therewith the Airport Director is authorized, for an on behalf of and in the name of the Commission, to makes such changes to the terms of such Variable Rate Bonds as the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, may deem necessary or desirable and in the best interests of the Airport, including without limitation to the terms of any debt service reserve account which secures such Variable Rate Bonds. Such remarketings shall not constitute a refunding of such Variable Rate Bonds for purposes of this Resolution or the Ratified Resolutions nor shall it constitute a new issue of 1991 Resolution Bonds for purposes of the Charter.

Section 7. Direct Purchase. The Commission, by Resolution No. 18-0110, adopted on April 24, 2018 (the Direct Purchase Resolution), authorized the Airport Director to negotiate with one or more banks, financial institutions or other similar investors, in each case including private or governmental entities (Direct Placement Purchasers) to directly purchase one or more series of 1991 Resolution Bonds or Subordinate Bonds (a Direct Purchase Transaction). The Commission ratifies, approves and confirms the Direct Purchase Resolution. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to sell Capital Plan Bonds or Refunding Bonds (either as 1991

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Resolution Bonds or as Subordinate Bonds) to one or more Direct Placement Purchasers and to execute and deliver one or more Continuing Covenant Agreements or similar agreements (a Continuing Covenant Agreement) with such Direct Placement Purchasers in substantially the form presented to and on file with the Secretary of the Commission, with such changes thereto as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Continuing Covenant Agreement.

Section 8. Bond Anticipation Notes. The Commission, by Resolution No. 09-0138, adopted on June 2, 2009 (as supplemented and amended, the BANs Resolutions), authorized the issuance of up to \$400,000,000 aggregate principal amount of 1991 Resolution Bonds as Bond Anticipation Notes to provide interim financing in lieu of or in addition to the Airport's Commercial Paper program. Currently, no Bond Anticipation Notes are outstanding. The Commission ratifies, approves and confirms the BANs Resolution, and such resolution shall remain in full force and effect except as modified by this Resolution. 1991 Resolution Bonds authorized to be issued under any other Resolution may be issued under and pursuant to the BANs Resolution; provided however that any Bond Anticipation Notes authorized hereunder shall be issued on or before June 30, 2028.

Section 9. Terms of 1991 Resolution Bonds. Anything in the 1991 Resolution to the contrary notwithstanding, 1991 Resolution Bonds, including without limitation the Capital Plan Bonds, the Refunding Bonds, Working Capital Bonds or BANs may be issued as either fixed rate or variable rate bonds pursuant to the 1991 Resolution, as appropriate; in such Series and sub-Series and with such reserve account requirements, if any, as the Airport Director shall determine; *provided, however*, that (i) no 1991 Resolution Bond shall bear interest at a rate in excess of (A) eighteen percent (18%) per annum if issued as a Variable Rate Bond (other than any such

1991 Resolution Bonds held by a Credit Provider or Liquidity Provider), (B) sixteen percent (16%) per annum if issued as taxable fixed rate 1991 Resolution Bonds, or (C) twelve percent (12%) per annum if issued as tax-exempt fixed rate 1991 Resolution Bonds; and (ii) the final maturity of any 1991 Resolution Bond shall not be later than forty (40) years from the date of issuance thereof.

Section 10. Subordinate Bonds—Commercial Paper Notes. The Commission, by Resolution No. 97-0147, adopted on May 20, 1997, which resolution was amended and restated by Resolution No. 09-0088, adopted on May 5, 2009 (under and pursuant to Resolution No. 97-0146, adopted on May 20, 1997, as

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supplemented and amended, including without limitation by Resolution No. 97-0148, adopted on May 20, 1997, Resolution No. 99-0299, adopted on September 21, 1999, Resolution No. 99-0300, adopted on September 21, 1999), Resolution No. 10-0307, adopted on October 5, 2010, Resolution No. 16-0275, adopted on November 1, 2016, Resolution No. 20-0064, adopted on April 7, 2020, and Resolution No. 21-0003, adopted on January 19, 2021 (collectively, the Commercial Paper Resolutions) authorized the issuance and reissuance from time to time of up to \$600,000,000 aggregate principal amount of Subordinate Bonds in the form of Commercial Paper for the purposes of financing and refinancing various Airport expenditures. The Commission ratifies, approves and confirms the Commercial Paper Resolutions and such authorizations, and such resolutions shall remain in full force and effect except as modified by this Resolution, provided, however, that any Subordinate Bonds in the form of Commercial Paper Notes shall mature not later than June 30, 2062.

Section 11. Credit and Liquidity Facilities. The Commission, by Resolution No. 09-0089, adopted on May 5, 2009, and Resolution No. 10-0307, adopted on October 5, 2010 (collectively, the Credit Facilities Resolution), the Commission authorized the Airport Director to obtain certain credit and liquidity facilities with respect to 1991 Resolution Bonds and Subordinate Bonds, including without limitation the Commercial Paper Notes. The Commission ratifies, confirms and approves the Credit Facilities Resolution, and such resolution shall remain in full force and effect except as modified by this Resolution.

(a) Standby Bond Purchase Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to select one or more banks or financial institutions (Banks) whose ratings shall be in the three highest ratings categories (without regard to subcategories) of at least two Ratings Agencies to provide one or more Standby Bond Purchase Agreements (Standby BPAs) to pay or secure the payment of the principal and/or purchase price of and interest and/or redemption premium on 1991 Resolution Bonds or Subordinate Bonds. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver one or more Standby BPAs with such Banks in substantially the form presented to and on file with the Secretary of the Commission, with such changes thereto as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Standby BPAs.

(b) Letters of Credit. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to select one or more Banks to provide one or more Letters of Credit, Reimbursement Agreements, and related fee agreements (together, LOCs) to pay and/or secure the payment of the principal and/or purchase price of an interest and/or redemption premium on

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1991 Resolution Bonds or Subordinate Bonds. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver one or more LOC Agreements with such Banks in substantially the form presented to and on file with the Secretary of the Commission, with such changes thereto as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such LOCs.

(c) Bond Insurance. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to select one or more bond insurers whose ratings shall be in the three highest ratings categories (without regard to subcategories) of at least two ratings agencies to provide bond insurance to secure the payment of the principal and/or purchase price of and interest and/or redemption premium on 1991 Resolution Bonds or Subordinate Bonds. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver one or more commitments or other agreements with such Bond Insurers in such form as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such agreements.

(d) Reserve Account Surety Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to select one or more Bond Insurers to fund up to the amount required to be deposited in the applicable reserve account with respect to any 1991 Resolution Bonds or Subordinate Bonds. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver one or more reserve account surety bonds or insurance policies (Surety Agreements) in substantially the form presented to and on file with the Secretary of the Commission, with such changes thereto as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Surety Agreements.

(e) Extension of Credit or Liquidity Facilities. The Airport Director is hereby authorized to extend the term of any Standby BPA, LOC, bond insurance or Surety Agreement with the related Credit Provider or Liquidity Provider, so long as the extension shall not extend the term of such agreement by more than five years beyond the current term of such agreement, and otherwise complies with Section 9.118 of the Charter of the City and County of San Francisco.

Section 12. Lines of Credit. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to enter into with banks, financial institutions or other similar lenders (Lenders) one or more revolving lines of credit and related term loans (Lines of Credit) for any Airport purpose (including to

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provide liquidity support for Commercial Paper) in a maximum available principal amount, together with the aggregate outstanding principal amount of Subordinate Bonds issued as Commercial Paper Notes, not to exceed \$600,000,000. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver one or more credit agreements (Credit Agreements) with such Lenders in substantially the form presented to and on file with the Secretary of the Commission, with such changes thereto as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Credit Agreements. In order to evidence the Commission's obligations under the Lines of Credit, the Commission hereby authorizes the issuance of Subordinate Bonds (which may in each case be Capital Plan Bonds or Refunding Bonds) in the form of notes in a maximum available principal amount equal to the related Line of Credit.

Section 13. Fiduciary Services Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is hereby authorized to select one or more financial institutions or trust companies to serve as trustee, paying agent or in a similar fiduciary capacity for the Bonds (a Fiduciary). The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver fiduciary services contracts with a Fiduciary (a Fiduciary Services Contract) in substantially the form presented to and on file with the Secretary of the Commission, with such changes thereto as may be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Fiduciary Services Contracts. The Airport Director is hereby authorized to extend the term of any Fiduciary Services Contract with the existing Fiduciary for a term not longer than the term of resolution or trust agreement to which such Fiduciary Services Contract relates.

Section 14. Disclosure Documents. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to cause the preparation of one or more preliminary, final and supplemental Official Statements, Offering Memoranda, Private Placement Memoranda or other disclosure documents, and amendments and supplements thereto (collectively, Disclosure Documents), with respect to the issuance, sale, and remarketing from time to time of 1991 Resolution Bonds and Subordinate Bonds. The underwriters, placement agents, remarketing agents, dealers and other similar parties are authorized to distribute such Disclosure Documents as the Airport Director may approve upon consultation with the City Attorney, the Airport's municipal advisors, disclosure counsel and bond counsel, such approval to be evidenced conclusively by the delivery of such Disclosure Documents. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to certify that each Disclosure Document is, as of its date, "deemed final" by the Commission within

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the meaning of and to the extent required by Rule 15c2-12 of the Securities and Exchange Commission (Rule 15c2-12).

Section 15. Continuing Disclosure.

(a) Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to certify and agree on behalf of the Commission to provide certain financial information and operating data of the Commission annually and notices of certain events, if material, pursuant to Rule 15c2-12(b)(5) (unless an exemption from the Rule applies) and to execute and deliver one or more continuing disclosure certificates or agreements for the benefit of the underwriters and the holders and beneficial owners of the 1991 Resolution Bonds, Subordinate Bonds and Special Facilities Bonds in such forms as shall be approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors, disclosure counsel and bond counsel, such approval to be conclusively evidenced by the execution and delivery of such certificate or agreement.

(b) Remedies. The Commission covenants and agrees for the benefit of the underwriters, purchasers and holders from time to time of its 1991 Resolution Bonds, Subordinate Bonds and Special Facilities Bonds, respectively, to comply with and carry out all of the provisions of any continuing disclosure certificate or agreement executed and delivered in connection with the issuance thereof, as it may be amended from time to time in accordance with its terms; *provided*, that failure of the Commission to comply with any Continuing Disclosure Agreement shall not be considered an Event of Default with respect to the related Bonds; *provided, however*, that the trustee, fiscal agent, dissemination agent or other similar third party may (and at the written request of the holders of at least 25% of the aggregate principal amount of the related Bonds shall) or any holder or beneficial owner of such Bonds may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Commission to comply with its obligations thereunder.

Section 16. Swap Transactions.

(a) Reauthorization. The Commission, by Resolution No. 04-0219, adopted on November 2, 2004 and Resolution No. 05-0184, adopted on October 11, 2005, Resolution No. 08-0185, adopted by the Commission on October 7, 2008, and Resolution No. 10-0307, adopted on October 5, 2010, as supplemented and amended (collectively, the Swap Resolutions) authorized the execution of certain interest rate swap transactions (Swap Transactions) in the aggregate notional amounts of \$205,100,000 and \$405,000,000, in connection with the issuance by the Airport of Refunding Bonds as Variable Rate Bonds. The Commission has previously executed total initial aggregate notional amounts of Swap Transactions pursuant to the Swap Resolutions of \$199,900,000 and \$385,460,000,

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respectively, under the Swap Resolutions, leaving remaining authorizations of \$5,200,000 and \$19,540,000. The Commission ratifies, approves and confirms the Swap Resolutions, the remaining authorizations thereunder and the findings and determinations therein, and such resolutions shall remain in full force and effect except as modified by this Resolution. The Airport Director is hereby further authorized and directed to make and enter into and to execute and deliver such documents as may be necessary or desirable to terminate or to modify or amend the terms of any Swap Transaction. The Airport Director is hereby further authorized and directed to make and enter into such arrangements and to execute and deliver such documents, substantially in the forms previously submitted and approved by the Commission in the Prior Swap Resolutions, as may be necessary or desirable to terminate and replace any Swap Transaction, if necessary or desirable, with a bank or other financial institution selected through a competitive or negotiated process in a manner determined by the Airport Director so long as such actions do not result in the increase of the notional amount of such swap.

(b) Termination Payments. In accordance with the 1991 Resolution and the Commission's Debt Policy, the Airport Director, upon consultation with the Commission's financial advisors, may use any legally available funds, including the proceeds of Refunding Bonds, for the purpose of paying any termination fees in connection with the termination of Swap Transactions.

(c) Authorization of Collateral Posting. In connection with a Swap Transaction, the Airport Director, for and on behalf of and in the name of the Commission, is authorized to obligate the Airport to post collateral, as and to the extent necessary or desirable and in the best interests of the Airport, pursuant to the provisions of a Credit Support Annex.

(d) Maximum Rate. The maximum fixed interest rate the Commission shall be obligated to pay with respect to any Swap Transaction shall not exceed twelve percent (12%) per annum.

Section 17. Removal and Replacement of Other Parties. The underwriters, Trustees, Escrow Agents, Remarketing Agents, Dealers, Credit and Liquidity Facility Providers, Banks, Bond Insurers, Swap counterparties, investment providers, and other parties appointed or selected pursuant to this Resolution and the Ratified Resolutions (collectively, Other Parties) may be appointed, selected, removed, replaced, substituted, re-appointed or otherwise changed at such times as the Airport Director shall determine from time to time in his discretion. The Airport Director is authorized, for and on behalf of and in the name of the Commission, to execute and deliver new agreements with such Other Parties in substantially the same form as the agreement with the party removed, replaced, substituted or otherwise changed, with such changes thereto as the Airport Director shall determine are necessary or desirable and in the best interests of the Airport and consistent with the functions and responsibilities of such parties and

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the rights and remedies of the Commission, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, which approval shall be conclusively evidence by the execution and delivery of such agreements.

Section 18. Selection of Other Parties. If and to the extent practicable in the determination of the Airport Director, the Airport Director shall select Other Parties through a competitive selection process in accordance with the policies and procedures of the Commission, including without limitation from a pool of such Other Parties previously pre-qualified by the Commission to serve in such capacities.

Section 19. Termination and Amendment of Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to terminate and to enter into amendments, modifications, supplements and extensions to the various agreements authorized and approved pursuant to this Resolution and the Ratified Resolutions; *provided*, that such amendments, modifications and supplements shall not materially increase the obligations of the Commission thereunder or materially reduce the Commission's rights and remedies thereunder without the approval of the Commission. Such amendments, supplements and extensions shall be in such form as the Airport Director may approve, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be conclusively evidence by the Airport Director's execution and delivery thereof.

Section 20. Federal Tax Law Matters.

(a) TEFRA Hearings and Approvals. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to cause the conduct of such hearings and to obtain such approvals from the Mayor or the Board of Supervisors of the City as the Airport Director shall determine is necessary or desirable in order to satisfy the public hearing and approval requirements under Section 147(f) of the Internal Revenue Code with respect to the financing of Airport expenditures from the proceeds of tax-exempt Bonds.

(b) Official Intent to Reimburse. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to determine and officially declare that expenditures for Airport-related purposes from sources other than Bond proceeds are expected and intended to be reimbursed from proceeds of tax-exempt Bonds, pursuant to and in accordance with Treasury Regulations Section 1.150-2 or any successor to such section.

(c) Tax-Exempt Status of Bonds. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to take such actions and enter into such agreements, including without limitation seeking a private letter ruling or other official determination from the Internal Revenue Service in the

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Department of the Treasury of the United States, in order to secure or assure the tax-exempt status of interest on any Bonds.

Section 21. Special Facilities Bonds – SFO Fuel.

(a) Authorization. The Commission, by Resolution No. 97-0145, adopted on May 20, 1997, Resolution No. 00-0175, adopted on May 16, 2000, Resolution No. 10-0307, adopted on October 5, 2010, and Resolution No. 18-0385, adopted on December 4, 2018 (each as supplemented and amended, collectively, the SFO Fuel Resolutions) authorized the issuance of \$250 million in aggregate principal amount of SFO Fuel Bonds to finance certain aviation fueling and related facilities at the Airport, all of which have been issued and a portion of which remain outstanding. The Commission authorizes the issuance of up to an additional \$60,525,000 million aggregate principal amount of SFO Fuel Bonds for the purposes of refunding outstanding SFO Fuel Bonds; provided however that any SFO Fuel Bonds authorized hereunder shall be issued on or before June 30, 2028.

(b) Trust Agreement. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to execute and deliver a Trust Agreement and/or Supplements thereto with a bond trustee selected by the Airport Director in connection with the issuance of any such SFO Fuel Bonds in substantially the form presented and on file with the Secretary of the Commission, with such changes thereto as have been approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

(c) Fuel System Lease Agreement. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver such amendments to the existing Fuel System Lease between the Commission and SFO FUEL COMPANY LLC, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, as shall be necessary or desirable and in the best interests of the Airport to accomplish the issuance of such SFO Fuel Bonds. Such amendments may include, without limitation:

- (1) An extension of the term of the Fuel System Lease;
- (2) Changes to the Demised Premises, Right-of-Way, and the Facilities and the management and uses thereof;
- (3) Changes to the Ground Rent, Facilities Rent, and Additional Rent provisions;
- (4) Changes to the Events of Default and the City's remedies;

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- (5) Changes to conform agreements to current market requirements, standards and practices; and
- (6) Changes to conform the Fuel System Lease to the City's current contracting policies.

Section 22. Special Facilities Bonds – SFO Hotel.

(a) Authorization. The Commission, by Resolution No. 15-0182, adopted on September 22, 2015, Resolution No. 17-0045, adopted on March 7, 2017, and Resolution No. 18-0089, adopted on April 3, 2018 (each as supplemented and amended, collectively, the SFO Hotel Bond Resolutions) authorized the issuance of \$260 million in aggregate principal amount of SFO Hotel Bonds and \$278 million in aggregate principal amount of Airport Capital Plan Bonds to finance a portion of the costs of construction of the on-Airport hotel and a new AirTrain station to connect the hotel with the AirTrain system (the Hotel Project), all of which have been issued and a portion of which remain outstanding. The Commission authorizes the issuance of up to an additional \$262,530,000 million aggregate principal amount of SFO Hotel Bonds for the purposes of refunding the outstanding SFO Hotel Bonds; provided however that the SFO Hotel Bonds authorized hereunder shall be issued on or before June 30, 2028.

(b) Trust Agreement. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to execute and deliver a Trust Agreement and/or Supplements thereto with a bond trustee selected by the Airport Director in connection with the issuance of any such SFO Hotel Bonds in substantially the form presented and on file with the Secretary of the Commission, with such changes thereto as have been approved by the Airport Director, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

(c) Hotel Project Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is further authorized to execute and deliver such amendments to the existing agreements relating to the Hotel Project, upon consultation with the City Attorney, the Airport's municipal advisors and bond counsel, as shall be necessary or desirable and in the best interests of the Airport to accomplish the issuance of such SFO Hotel Bonds. Such amendments may include, without limitation:

- (1) An extension of the term of such agreements;
- (2) Changes to the management and uses of the Hotel Project;
- (3) Changes to the Events of Default and the City's remedies;

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 23-0083

- (4) Changes to conform agreements to current market requirements, standards and practices; and
- (5) Changes to conform such agreements to the City's current contracting policies.

Section 23. Reporting of Actions Taken; Additional Approvals. The Airport Director is hereby directed to provide notice to this Commission of the substance of any action taken by the Airport Director in reliance upon the authority granted to the Airport Director hereby. Should the Airport Director determine, upon consultation with the City Attorney, that the taking of any action upon the authority granted to the Airport Director hereby shall require additional approvals by this Commission, the Airport Director is hereby authorized and directed to request such additional approvals.

Section 24. Delegation by Airport Director. The Airport Director is authorized to delegate the authority granted to the Airport Director pursuant to this Resolution and the Ratified Resolutions in writing to a member of Airport management, upon consultation with the City Attorney.

Section 25. Approval of Board of Supervisors. The Airport Director, for and on behalf of and in the name of the Commission, is authorized and directed to seek any approvals the Airport Director deems necessary or desirable from the Board of Supervisors of the City in order to carry out the intents and purposes of this Resolution.

Section 26. Ratification of Prior Acts. The actions of the officers, agents and employees of the Commission to carry out its intents and purposes taken prior to the adoption of this Resolution are ratified, approved, and confirmed.

Section 27. General Authorization. The Airport Director and the other officers, agents and employees of the Commission are authorized and directed to execute and deliver such documents, agreements and certificates and to take such other actions, upon consultation with the City Attorney, as may be necessary or desirable and in the best interests of the Airport to carry out the purposes and intents of this Resolution, the Ratified Resolutions, and the other transactions contemplated hereby and thereby.

Section 28. Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof except as otherwise set forth herein.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 23-0083

Adopted by the Airport Commission of the City and County of San Francisco this 4th day of April 2023, by the following vote:

Ayes: 3
Noes: 0
Absent: 1

[Seal]

Approved as to Form:

DAVID CHIU
City Attorney

By: 
Monica Baranovsky, Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of APR 4 2023


Secretary



San Francisco International Airport

MEMORANDUM

April 4, 2023

TO: AIRPORT COMMISSION
Hon. Eleanor Johns, President
Hon. Malcolm Yeung, Vice President
Hon. Everett A. Hewlett, Jr.
Hon. Jane Natoli
Hon. Jose F. Almanza

23-0083

= APR 4 2023

FROM: Airport Director

SUBJECT: Bond Resolution Confirming and Extending Prior Commission Resolutions Regarding the Airport's Bonds and Subordinate Bonds, Authorizing Additional Refunding Bonds and Authorizing Bonds to Refund Existing Special Facility Bonds, and Delegating to the Airport Director Authority to Undertake Certain Other Debt-Related Matters

DIRECTOR'S RECOMMENDATION: ADOPT RESOLUTION CONFIRMING AND EXTENDING PRIOR COMMISSION RESOLUTIONS REGARDING THE AIRPORT'S BONDS AND SUBORDINATE BONDS, AUTHORIZING ADDITIONAL REFUNDING BONDS AND AUTHORIZING BONDS TO REFUND EXISTING SPECIAL FACILITY BONDS, AND DELEGATING TO THE AIRPORT DIRECTOR AUTHORITY TO UNDERTAKE CERTAIN OTHER DEBT-RELATED MATTERS.

Executive Summary

The purpose of the attached Bond Resolution (Omnibus Resolution) is to consolidate Airport Commission (Commission) authorizations and approvals received to date into a single resolution. This consolidation will eliminate the process to cross-check multiple resolutions in order to identify and confirm that any particular authorization is in place, and that the terms of that authorization are being observed.

Additionally, the Omnibus Resolution confirms and extends a number of prior authorizations of the Commission with respect to: (1) certain bonds of the Commission; (2) commercial paper; (3) direct purchase transactions; (4) credit and liquidity facilities; (5) lines of credit; (6) fiduciary services agreements; (7) disclosure matters; (8) swap transactions; (9) removal, replacement, and selection of other parties; (10) termination and amendment of agreements; and (11) federal tax law matters. Further detail about each of these categories is listed below.

THIS PRINT COVERS CALENDAR ITEM NO. 2

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR ELEANOR JOHNS PRESIDENT MALCOLM YEUNG VICE PRESIDENT EVERETT A. HEWLETT, JR. JANE NATOLI JOSE F. ALMANZA IVAR C. SATERO AIRPORT DIRECTOR

Capital Plan Bonds Authorizations

The Omnibus Resolution confirms the prior resolutions of the Commission (Capital Plan Bond Resolutions) authorizing the issuance from time to time of \$10.8 billion of bonds to finance capital projects at the Airport (Capital Plan Bonds). The Airport has issued approximately \$6.6 billion of Capital Plan Bonds pursuant to the Capital Plan Bond Resolutions, leaving approximately \$4.2 billion of these Capital Plan Bonds that remain authorized but unissued pursuant to the Capital Plan Bond Resolutions. The Omnibus Resolution does not authorize the issuance of any additional Capital Plan Bonds.

Refunding Bonds Authorizations

The Omnibus Resolution confirms the prior resolutions of the Commission (Refunding Resolutions) authorizing the issuance from time to time of refunding bonds to refinance the Commission's outstanding debt (Refunding Bonds) when beneficial to the Commission. The Director is authorized to refund outstanding bonds with proceeds from issuance of new Refunding Bonds. The Airport has issued approximately \$9.9 billion of Refunding Bonds pursuant to the Refunding Resolutions, which has resulted in net present value debt service savings of approximately \$672.9 million to date, and has allowed the Airport to reduce its counterparty and liquidity provider exposure, to increase the proportion of cash in its debt service reserve funds, and to reduce its exposure to market volatility.

There are approximately \$1.1 billion of Refunding Bonds that remain authorized but unissued pursuant to the Refunding Resolutions. The Omnibus Resolution authorizes the issuance of an additional \$6.1 billion of Refunding Bonds which may be issued over the next five years to realize debt savings or for other purposes. The Director will return to the Commission to approve the sale of individual series of Refunding Bonds.

Variable Rate Bonds Authorizations

The Omnibus Resolution confirms existing authorization of changing of interest period or mode on outstanding variable rate bonds to any other interest period or mode permitted under the Master Bond Resolution, and the remarketing of such outstanding variable rate bonds in a new interest period or mode, and with new terms. The Master Bond Resolution, as supplemented and amended, permits a series of bonds to be issued as variable rate bonds or fixed rate bonds, as approved by the Commission.

Direct Purchase Authorization

The Omnibus Resolution confirms prior resolutions of the Commission authorizing the Director to negotiate with one or more banks, financial institutions, or other similar investors to directly purchase one or more series of 1991 Resolution Bonds or Subordinate Bonds (Direct Purchase Bonds). The Omnibus Resolution reauthorizes the Director to execute one or more Continuing Covenant Agreements or similar agreements with purchasers of Direct Placement Bonds. The Commission has not yet entered into any direct purchase transaction.

Bond Anticipation Notes Authorization

The Omnibus Resolution confirms the prior resolution of the Commission (BAN Resolution) authorizing the issuance from time to time of up to \$400 million of Bond Anticipation Notes (BANs) to provide interim financing in lieu of, or in addition to, the Airport's Commercial Paper Program. The Commission has not yet issued any BANs, so the full authorization of \$400 million remains unissued. The Omnibus Resolution does not increase the authorized amount of BANs.

Commercial Paper Authorizations

The Omnibus Resolution confirms the prior resolutions of the Commission (Commercial Paper Resolutions) authorizing the issuance from time to time of up to \$600 million outstanding at any time of commercial paper notes to finance and refinance capital projects and other expenditures at the Airport (Commercial Paper). The Omnibus Resolution does not increase the authorized amount of Commercial Paper. Commercial Paper notes are issued as needed to meet the Airport's cash flow needs to finance capital projects.

Credit Facilities Authorizations

The Omnibus Resolution confirms the prior resolutions of the Commission (Credit Facilities Resolutions) authorizing the Director to obtain credit and liquidity facilities with respect to the Commission's bonds (Credit Facilities). The Omnibus Resolution reauthorizes various Credit Facilities, such as standby bond purchase agreements, letters of credit, municipal bond insurance and reserve account surety policies, which have been authorized under numerous different resolutions, and approves the form of agreements relating to these Credit Facilities. The Director will come back to the Commission for approval of individual agreements.

Lines of Credit Authorization

The Omnibus Resolution authorizes the Director to enter into one or more revolving lines of credit (Lines of Credit) with banks or financial institutions for any Airport purpose up to a maximum available principal amount, together with aggregate outstanding principal amount of Commercial Paper, not to exceed \$600 million. The Omnibus Resolution also approves the form of agreements relating to these Lines of Credit and authorizes the issuance of Subordinate Bonds in the form of notes in a maximum available principal amount equal to the related Lines of Credit. The Director will return to the Commission for approval of individual lines of credit.

Fiduciary Services Agreements Authorization

The Omnibus Resolution authorizes the Director to select one or more financial institutions or trust companies to serve as trustee or paying agent, or to serve in a similar fiduciary capacity for the bonds. The Omnibus Resolution also approves the form of agreements relating to these fiduciary services. The Director will return to the Commission for approval of individual fiduciary services agreements.

Disclosure Document Authorizations

The Omnibus Resolution reauthorizes the ability of the Director to cause various disclosure documents to be prepared, such as preliminary, final, and supplemental official statements, offering memoranda, private placement memoranda, and other disclosure documents. The Omnibus Resolution also reauthorizes the Director to execute and deliver continuing disclosure agreements and to provide data needed in connection with the Commission's continuing disclosure obligations.

Swap Transaction Authorizations

The Omnibus Resolution confirms prior resolutions of the Commission (Swap Resolutions) authorizing the execution, amendment, termination, and replacement from time to time of interest rate swap transactions (Swap Transactions). The Airport does not have any outstanding interest rate swap. No new Swap Transactions are expected at this time. The Omnibus Resolution does not authorize the execution of any additional notional amount of Swap Transactions.

Other Authorizations

The Omnibus Resolution also includes authorizations of various related matters, including the removal and replacement of other parties, such as underwriters, trustees, remarketing agents, dealers, credit and liquidity facility providers, to agreements otherwise authorized by the Commission, the selection of parties with which to enter into authorized agreements, and the termination and amendment of existing agreements. The Omnibus Resolution also confirms the maximum bond maturity of 40 years, a maximum interest rate of 12% for tax-exempt fixed-rate bonds, 16% for taxable fixed-rate bonds, and 18% for variable rate bonds (excluding bonds held by credit or liquidity providers).

Federal Tax Law

The Omnibus Resolution authorizes the Director to conduct hearings and obtain approvals from the Mayor or Board of Supervisors of the City to satisfy the public hearing and approval requirements with respect to financing of Airport expenditures from proceeds of tax-exempt bonds. The Omnibus Resolution also authorizes the Director to declare expenditures reimbursement from tax-exempt bonds or seek private letter ruling or other official determination from the Internal Revenue Service to assure tax-exempt status on any bonds.

SFO Fuel Bonds Authorization

The Omnibus Resolution authorizes the issuance of up to an additional \$60.5 million of special facility revenue bonds by the Airport to refinance the Airport's fuel distribution system (SFO Fuel Bonds). SFO FUEL COMPANY LLC leases and operates the Airport's fuel storage and distribution system. The Director is authorized to refund outstanding SFO Fuel Bonds with proceeds from issuance of new SFO Fuel Bonds. The Omnibus Resolution authorizes the execution of certain agreements necessary for the refinancing and any related financial

Members, Airport Commission

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agreements between the Commission and SFO FUEL COMPANY LLC. The Omnibus Resolution also approves the form of agreements relating to the Trust Agreement in connection with the issuance of SFO Fuel Bonds. The Director will return to the Commission to approve the sale of individual series of SFO Fuel Bonds.

SFO Hotel Bonds Authorization

The Omnibus Resolution authorizes the issuance of up to an additional \$262.5 million of special facility revenue bonds by the Airport to refinance the on-Airport hotel and AirTrain station connected to the hotel (SFO Hotel Bonds). The Director is authorized to refund outstanding SFO Hotel Bonds with proceeds from issuance of new SFO Hotel Bonds. The Omnibus Resolution authorizes the execution of certain agreements necessary for the issuance of such SFO Hotel Bonds, and any necessary amendments in connection with such SFO Hotel Bonds to the hotel agreements. The Omnibus Resolution also approves the form of agreements relating to the Trust Agreement in connection with the issuance of SFO Hotel Bonds. The Director will return to the Commission to approve the sale of individual series of SFO Hotel Bonds.

Recommendation

I recommend the Commission adopt the attached Omnibus Resolution confirming and extending prior authorizations with respect to (1) certain bonds of the Commission; (2) commercial paper; (3) direct purchase transactions; (4) credit and liquidity facilities; (5) lines of credit; (6) fiduciary services agreements; (7) disclosure matters; (8) swap transactions; (9) removal, replacement, and selection of other parties; (10) termination and amendment of agreements; and (11) federal tax law matters. I further recommend that the Commission authorize the Secretary of the Commission to seek approval from the San Francisco Board of Supervisors on the Omnibus Resolution.



Ivar C. Satero
Airport Director

Prepared by: Kevin Bumen
Chief Financial and Commercial Officer

Attachments

ATTACHMENT 1

Section 5852.1 of the California Government Code requires that local governments disclose good faith estimates of financing costs prior to the authorization of the issuance of bonds. The following information has been provided by the Airport's financial advisors as a good faith estimate. Actual interest rates and finance charges may differ from these estimates depending on market conditions at the time of sale.

Refunding Bonds

- (1) The true interest cost of the proposed \$7.2 billion in Refunding Bonds is estimated to be 4.53%.
- (2) The cost of issuance is estimated to be \$23.2 million. This includes all fees and charges expected to be paid to third parties.
- (3) The amount of proceeds net of the cost of issuance and any reserves or capitalized interest is estimated to be \$7.2 billion.
- (4) The total payment amount is estimated to be \$12.7 billion. This is the sum of all payments the Commission will make to repay these Refunding Bonds, calculated to the final maturity date.

SFO Fuel Bonds

- (1) The true interest cost of the proposed \$60.5 million in SFO Fuel Bonds is estimated to be 4.54%.
- (2) The cost of issuance is estimated to be \$0.4 million. This includes all fees and charges expected to be paid to third parties.
- (3) The amount of proceeds net of the cost of issuance and any reserves or capitalized interest is estimated to be \$60.1 million.
- (4) The total payment amount is estimated to be \$103.7 million. This is the sum of all payments the Commission will make to repay these SFO Fuel Bonds, calculated to the final maturity date.

SFO Hotel Bonds

- (1) The true interest cost of the proposed \$262.5 million in SFO Hotel Bonds is estimated to be 4.53%.
- (2) The cost of issuance is estimated to be \$1.8 million. This includes all fees and charges expected to be paid to third parties.
- (3) The amount of proceeds net of the cost of issuance and any reserves or capitalized interest is estimated to be \$260.7 million.
- (4) The total payment amount is estimated to be \$525.5 million. This is the sum of all payments the Commission will make to repay these SFO Hotel Bonds, calculated to the final maturity date.

Preliminary; subject to change.