

File No. 170211

Committee Item No. 2

Board Item No. 6

### COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date April 20, 2017

Board of Supervisors Meeting

Date May 2, 2017

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date April 14, 2017  
Completed by: Linda Wong Date April 25, 2017

1 [Airport Commission Capital Plan Bonds - \$4,358,694,227 - Airport Commission Commercial  
2 Paper Notes - \$100,000,000]

3 **Resolution approving the issuance of up to an additional \$4,358,694,227 aggregate**  
4 **principal amount of San Francisco International Airport Second Series Revenue Bonds**  
5 **to finance and refinance Airport Capital Plan projects; approving the issuance and re-**  
6 **issuance from time to time of up to an additional \$100,000,000 aggregate principal**  
7 **amount of San Francisco International Airport Subordinate Commercial Paper Notes**  
8 **for any lawful Airport purpose; and ratifying and confirming certain Resolutions of the**  
9 **Board and the Airport Commission related to the foregoing.**

10  
11 WHEREAS, The Airport Commission of the City and County of San Francisco (the  
12 "Airport Commission"), by its Resolution No. 91-0210, adopted on December 3, 1991 (as  
13 supplemented and amended, the "1991 Resolution"), provided for the issuance of San  
14 Francisco International Airport Second Series Revenue Bonds (the "Bonds") for any lawful  
15 purpose of the Airport Commission; and

16 WHEREAS, The 1991 Resolution provides that the Airport Commission may issue  
17 Bonds from time to time as the issuance thereof is authorized by the Airport Commission; and

18 WHEREAS, The Airport Commission, by its Resolution No. 08-0035, adopted on  
19 February 19, 2008, as supplemented and amended, including by Resolution No. 10-0307,  
20 adopted on October 5, 2010, Resolution No. 12-0050, adopted on March 20, 2012, Resolution  
21 No. 14-0024, adopted on February 18, 2014, and Resolution No. 15-0182, duly adopted on  
22 September 22, 2015 (collectively, the "Prior Capital Plan Bond Resolutions"), authorized the  
23 issuance from time to time of up to \$5,016,725,000 aggregate principal amount of Bonds (the  
24 "Capital Plan Bonds") for the purpose of financing and refinancing the development,  
25 construction, acquisition and equipping of certain capital projects undertaken by the Airport

1 (the "Capital Plan") which are approved by the Airport Commission, of which an aggregate  
2 principal amount of \$2,727,605,000 remains to be issued; and

3 WHEREAS, The Airport Commission, by its Resolution No. 16-0274, adopted on  
4 November 1, 2016 (the "Nineteenth Supplemental Resolution"), authorized the issuance of up  
5 to an additional \$2.775 billion aggregate principal amount of Capital Plan Bonds; and

6 WHEREAS, The Nineteenth Supplemental Resolution is intended to establish a  
7 financing mechanism for the Capital Plan and does not constitute approval of or a  
8 commitment to fund any particular project, which are approved by separate action of the  
9 Airport Commission and/or the Board of Supervisors (the "Board"); and

10 WHEREAS, Under the Nineteenth Supplemental Resolution, the Airport Commission  
11 may not authorize the sale of Capital Plan Bonds for construction costs of any project unless  
12 and until the required environmental review, if any, for such project has been completed and  
13 the Airport Commission has determined to proceed with such project and California  
14 Environmental Quality Act ("CEQA") findings have been adopted as required by law; provided,  
15 that Capital Plan Bonds may also be used to fund planning and development costs necessary  
16 to prepare other projects for environmental review and the necessary approvals; and

17 WHEREAS, This Board by its prior resolutions, including by Resolutions Nos. 1006-92,  
18 583-98, 224-99, 811-00, 800-03, 174-06, 229-08, 50-11, 349-12, 125-14 and 433-15  
19 (collectively, the "Prior Board Revenue Bond Resolutions"), approved, among other things,  
20 the 1991 Resolution, the Prior Capital Plan Bond Resolutions and the issuance of the Capital  
21 Plan Bonds in an aggregate principal amount of not to exceed \$3,433,030,773, of which an  
22 aggregate principal amount of \$1,143,910,773 remains to be issued; and

23 WHEREAS, The Airport Commission now seeks approval by this Board of (i) the  
24 remaining \$1,583,694,227 aggregate principal amount of Capital Plan Bonds which the Airport  
25 Commission has previously authorized but which have not yet been approved by this Board,

1 and (ii) the additional \$2.775 billion aggregate principal amount of Capital Plan Bonds  
2 authorized by the Airport Commission pursuant to the Nineteenth Supplemental Resolution,  
3 for a total requested approval by this Board of an additional \$4,358,694,227 aggregate  
4 principal amount of Capital Plan Bonds; and

5 WHEREAS, The Airport Commission, by its Resolution No. 97-0147, adopted on  
6 May 20, 1997, as supplemented and amended, including by Resolution No. 97-0148, adopted  
7 on May 20, 1997, Resolution No. 99-0299, adopted on September 21, 1999, Resolution  
8 No. 09-0088, adopted on May 5, 2009, and Resolution No. 10-0307 adopted on  
9 October 5, 2010 (as supplemented and amended, collectively, the "Prior CP Resolutions"),  
10 authorized the issuance and re-issuance from time to time of up to \$400,000,000 aggregate  
11 principal amount of San Francisco International Airport Subordinate Commercial Paper Notes  
12 ("Commercial Paper") to provide interim funding for any lawful purpose of the Airport  
13 Commission; and

14 WHEREAS, This Board by its prior resolutions, including by Resolutions Nos. 620-97  
15 and 113-02 (collectively, the "Prior Board CP Resolutions"), approved the issuance and re-  
16 issuance from time to time by the Airport Commission of such Commercial Paper; and

17 WHEREAS, The Airport Commission, by its Resolution No. 16-0275, adopted on  
18 November 1, 2016, (the "2016 CP Resolution"), authorized the issuance and re-issuance from  
19 time to time of up to an additional \$100,000,000 aggregate principal amount of Commercial  
20 Paper, for a new maximum authorized aggregate principal amount of \$500,000,000 of  
21 Commercial Paper outstanding at any time; and

22 WHEREAS, Under the 2016 CP Resolution, proceeds of Commercial Paper shall not  
23 be used for construction costs of any project unless the required environmental review, if any,  
24 for such project has been completed and the Airport Commission has determined to proceed  
25 with such project and CEQA findings have been adopted as required by law; provided, that

1 Commercial Paper proceeds may also be used to fund planning and development costs  
2 necessary to prepare other projects for environmental review and the necessary approvals;  
3 and

4 WHEREAS, The Nineteenth Supplemental Resolution and the 2016 CP Resolution  
5 have been submitted to this Board and are on file with the Clerk of the Board of Supervisors in  
6 File No. 170211, which file is hereby declared to be a part of this resolution as if set forth  
7 fully herein; and

8 WHEREAS, This Board desires to ratify and confirm the Prior Board Revenue Bond  
9 Resolutions and the Prior Board CP Resolutions, each as modified and amended thereby and  
10 hereby; and

11 WHEREAS, This Board also desires to ratify and confirm the 1991 Resolution,  
12 including the Prior Capital Plan Bond Resolutions and the Prior CP Resolutions, as adopted  
13 by the Airport Commission, each as modified and amended; and

14 WHEREAS, Section 4.115 of the Charter provides that the Airport Commission has the  
15 exclusive authority to plan and issue Airport revenue bonds (collectively, including Bonds,  
16 Commercial Paper and Airport Special Facility Bonds, "Airport Bonds") for Airport-related  
17 purposes, subject to the approval, amendment, or rejection of this Board of each issue; and

18 WHEREAS, The interest on certain of the Airport Bonds may qualify for exclusion from  
19 gross income for federal income tax purposes under Section 103(a) of the Internal Revenue  
20 Code of 1986, as amended (the "Code") only if such Airport Bonds are approved as set forth  
21 in this resolution in accordance with Section 147(f) of the Code; and

22 WHEREAS, This Board is the elected legislative body of the City and County of San  
23 Francisco (the "City") and is the applicable elected representative authorized to approve the  
24 Airport Bonds for purposes of Section 147(f) of the Code; and

1           WHEREAS, A notice of public hearing with respect to the Airport Bonds to be issued by  
2 the Airport Commission in an aggregate principal amount not to exceed \$8.02 billion (the  
3 “TEFRA Notice”), was published on November 21, 2016, not less than fourteen (14) days prior  
4 to the public hearing, in a newspaper of general circulation available to the residents of the  
5 City; and

6           WHEREAS, A public hearing was held on December 5, 2016, pursuant to such notice  
7 and an opportunity was provided for interested persons to present arguments for and against  
8 the issuance of such Airport Bonds and the nature and location of the projects to be financed  
9 and refinanced with the proceeds thereof; and

10           WHEREAS, A summary of such arguments, if any, has been presented to and is on file  
11 with the Clerk of the Board; now, therefore, be it

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

14           FURTHER RESOLVED, That capitalized terms used but not otherwise defined in this  
15 resolution shall have the meanings set forth in the 1991 Resolution; and, be it

16           FURTHER RESOLVED, That (i) the issuance by the Airport Commission of Capital  
17 Plan Bonds in an additional aggregate principal amount of up to \$4,358,694,227, and (ii) the  
18 issuance and re-issuance from time to time of Commercial Paper in an additional aggregate  
19 principal amount of up to \$100,000,000 for a new maximum authorized aggregate principal  
20 amount of \$500,000,000 of Commercial Paper outstanding at any time, each are hereby  
21 approved in accordance with Section 4.115 of the Charter; and, be it

22           FURTHER RESOLVED, That the Nineteenth Supplemental Resolution and the 2016  
23 CP Resolution, as adopted by the Airport Commission, are hereby approved; and, be it

24           FURTHER RESOLVED, That the Airport Commission shall not approve the sale of  
25 Capital Plan Bonds or use Commercial Paper proceeds to fund construction of any specific

1 Capital Plan project unless and until (1) the required environmental review, if any, for such  
2 project has been completed, (2) the Airport Commission has determined to proceed with such  
3 project, and (3) CEQA findings have been adopted as required by law; provided, that Capital  
4 Plan Bonds and Commercial Paper may also be used to fund planning and development  
5 costs necessary to prepare other projects for environmental review and the necessary  
6 approvals; and, be it

7 FURTHER RESOLVED, That the Capital Plan Bonds shall be sold prior to  
8 June 30, 2023; and, be it

9 FURTHER RESOLVED, That this Board, as an appropriate applicable elected  
10 representative, hereby approves the Airport Bonds described in the TEFRA Notice for  
11 purposes of, and in accordance with, Section 147(f) of the Code; and, be it

12 FURTHER RESOLVED, That the Prior Board Revenue Bond Resolutions and the Prior  
13 Board CP Resolutions, each as modified and amended, including by this resolution, are  
14 hereby ratified and confirmed; and, be it

15 FURTHER RESOLVED, That the 1991 Resolution, including the Prior Capital Plan  
16 Bond Resolutions and the Prior CP Resolutions, as adopted by the Airport Commission, each  
17 as modified and amended, are hereby ratified and confirmed; and, be it

18 FURTHER RESOLVED, That all actions heretofore taken by the officers, agents and  
19 employees of the Airport Commission and the City to carry out the intents and purposes of  
20 this resolution, as consistent with this resolution, are hereby ratified, approved and confirmed;  
21 and, be it

22 FURTHER RESOLVED, That the Airport Commission and its proper officers, agents  
23 and employees and those of the City are hereby authorized to execute and deliver such  
24 certificates, documents and agreements as are contemplated by or required under the 1991  
25 Resolution, the Prior CP Resolutions, any existing Airport Bond-related agreement or contract,

1 the applicable bond purchase agreement and any other applicable Airport Bond-related  
2 agreement or contract authorized hereby (the "Contemplated Documents"), to carry out the  
3 intents and purposes of this resolution and the transactions contemplated hereby, and to take  
4 such other actions or execute such other certificates, documents and agreements, in  
5 consultation with the City Attorney, as may be necessary or desirable to carry out the intents  
6 and purposes of this resolution and the transactions contemplated hereby (the "Other  
7 Documents"); provided, that any such other actions or execution of any such Other  
8 Documents are intended solely to further the purposes of this resolution, and are subject in all  
9 respects to the terms of this resolution; and provided further, that no such actions or execution  
10 of such Other Documents shall increase the risk to the Airport Commission or the City or  
11 require the Airport Commission or the City to expend any resources not otherwise authorized  
12 hereby; and, be it

13         FURTHER RESOLVED, That the approvals contained in this resolution shall extend to  
14 any amendments to the 1991 Resolution, including the Prior Capital Plan Bond Resolutions,  
15 the Prior CP Resolutions, the Nineteenth Supplemental Resolution and the 2016 CP  
16 Resolution, and to all resolutions of the Airport Commission supplemental thereto, as well as  
17 to such additional resolutions that the Airport Commission may adopt for the purposes of  
18 implementing the issuance, sale and delivery of any Airport Bonds, provided, that in each  
19 case such amendment or additional resolution is consistent with the parameters set forth  
20 herein; and, be it

21         FURTHER RESOLVED, That should the application of any provision of this resolution  
22 to any particular facts or circumstances be found by a court of competent jurisdiction to be  
23 invalid or unenforceable, then (a) the validity of other provisions of this resolution shall not be  
24 affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent  
25 possible so as to effect the intents and purposes of this resolution.



<p><b>Items 1 and 2</b> Files 17-0200 and 17-0211</p>	<p><b>Department:</b> San Francisco International Airport (Airport)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <p>File 17-0200 is an ordinance appropriating \$4,832,455,418 of Airport Capital Plan bonds, consisting of \$4,358,694,227 in new Airport Capital Plan revenue bond authorization (File 17-0211) and \$473,761,191 in previously authorized Airport Capital Plan bonds. The funds would be placed on Controller's Reserve pending sale of the bonds or commercial paper.</p> <p>File 17-0211 is a resolution authorizing (1) the sale of \$4,358,694,227 in Airport Capital plan revenue bonds; and (2) an increase in Airport Commercial Paper by \$100,000,000, from \$400,000,000 to \$500,000,000.</p> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• In FY 2015-16, the Airport had a record 51.4 million passengers, leading to congestion in the Airport. The Airport is requesting (a) additional revenue bond authorization to implement capital projects to address airport congestion, and (b) additional commercial paper authorization to increase the Airport's capacity to issue short term, lower cost debt pending the sale of the bonds.</li> <li>• Projects to be funded by the \$4.8 billion in Airport Capital Plan bonds are included in the Airports Five-Year Capital Plan and consist of: (a) airfield improvements, including construction of a materials testing lab and a new advanced visual docking guidance system to assist pilots with safety information; (b) airport support improvements in technology and security; (c) groundside improvements to the AirTrain system, parking garages and other improvements; (d) terminal improvements to modernize Terminal 1; and (e) utility improvements.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The Airport proposes to sell the \$4,832,455,418 Airport Capital Plan bonds through a competitive sale with a 30-year term at an estimated 6.5 percent fixed interest rate. The Airport expects to issue bonds twice per year through FY 2020-21, but the timing and sizing of each issue would be determined based on an assessment of capital plan cash flow requirements and market conditions. The bonds are expected to be fully repaid in 2050 from Airport revenues. The Airport estimates total debt service over 30 years of \$10.8 billion, including \$4.83 billion in principal and approximately \$5.97 billion in interest. Average annual debt service is \$327.3 million.</li> <li>• Debt service on the Airport's Capital Plan bonds is paid from Airport revenues. Under the Lease and Use Agreement between the Airport and the airlines, the Airport has the authority to increase the landing and terminal fees charged to the airlines to meet its operating expenses, including annual debt service on outstanding Airport revenue bonds</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approve the proposed resolution (File 17-0211) and ordinance (File 17-0200).</li> </ul>	

## MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

City Charter Section 4.115 states that the Airport Commission has exclusive authority to plan and issue Airport revenue bonds for Airport-related purposes, subject to the approval, amendment, or rejection of the Board of Supervisors.

## BACKGROUND

### Airport Revenue Bond Authorization

The San Francisco International Airport (Airport) issues Airport Capital Plan bonds, as authorized by the 1991 Master Bond Resolution. The 1991 Master Bond Resolution has been supplemented and amended nineteen times since its original publication. Since 2008, in preparation for the renovation of Terminal 2, Boarding Area E, Terminal 3 East, the Air Traffic Control Tower, and other capital projects, the Board of Supervisors has authorized \$3.43 billion in Airport Capital Plan bonds. Currently, \$1.14 billion remain unissued, including \$243 million dedicated to the Airport Hotel Project.

The total amount of outstanding bond debt the Airport currently has is \$4.965 billion, which includes the \$2.29 billion of Airport Capital Plan bonds sold since 2008 and airport revenue bonds authorized prior to 2008 under other resolutions.

### Commercial Paper Authorization

The Airport currently uses commercial paper as short term financing for capital projects, allowing the Airport to meet construction cash flow requirements prior to issuing longer-term bonds.<sup>1</sup> The Board of Supervisors authorized the Airport Commission in 1997 to issue up to \$400 million in commercial paper as a source of interim financing for capital projects. The Airport currently has no outstanding commercial paper.

## DETAILS OF PROPOSED LEGISLATION

**File 17-0211:** The proposed resolution would: (1) authorize the sale of \$4,358,694,227 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds; (2) approve the issuance and re-issuance of up to an additional \$100 million aggregate principal amount of Airport Subordinate Commercial Paper Notes; and (3) ratify, approve and confirm certain resolutions of the Board of Supervisors and Airport Commission related to the bonds.

<sup>1</sup> Commercial paper is short term debt for up to 270 days. Interest payments on commercial paper are lower than on longer term bonds.

**File 17-0200:** The proposed ordinance would appropriate \$4,832,455,418 of General Airport Revenue Bonds for capital improvement projects to the Airport Commission for Fiscal Year 2016-2017. The funds would be placed on Controller's Reserve pending sale of the bonds or commercial paper.

Appropriation of \$4,832,455,418 consists of \$4,358,694,227 in new Airport Capital Plan revenue bond authorization (File 17-0211) and \$473,761,191 in previously authorized Airport Capital Plan bonds.<sup>2</sup>

#### **Basis of Request for Bond Authorization**

In FY 2015-16, the Airport had a record 51.4 million total passengers.<sup>3</sup> The Airport's previous projections did not forecast this number of passengers until FY 2020-21, still five years out. According to Mr. Kevin Kone, the Airport's Managing Director of Finance, the passenger growth has led to an increase in congestion at terminal gates, demand for public parking, and ground transportation congestion. Additional passengers also result in increased security needs at the Airport. Therefore, the Airport is requesting (a) additional revenue bond authorization to implement capital projects to address airport congestion, and (b) additional commercial paper authorization to increase the Airport's capacity to issue short term, lower cost debt pending the sale of the bonds.

On December 12, 2016, the City's Capital Planning Committee recommended the authorization of up to \$4,358,694,227 in Airport Capital Plan bonds, as well as an increase in the Airport's commercial paper program by \$100,000,000, from \$400,000,000 to \$500,000,000.

#### **The Airport's Capital Plan**

The Airport prepares a Five-Year Capital Improvement Plan on an annual basis to prioritize essential capital projects and requirements. The approved Five-Year Capital Improvement Plan for the period FY 2016-17 through FY 2020-21 was adopted by the Airport Commission on June 1, 2016.

Airport Capital Plan bonds may only be used to fund:

- Construction costs of Capital Plan projects that either do not require environmental review or have already undergone all necessary environmental review, such as California Environmental Quality Act (CEQA) review, and received Commission approval to proceed
- Planning and development costs necessary to prepare other Capital Plan projects for environmental review and the necessary approvals

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<sup>2</sup> \$473,761,191 comes from the approximately \$1,140,000,000 in Airport Capital Plan bonds previously authorized by the Board of Supervisors but not sold. If the Board appropriates the \$473,761,191, the Airport will have approximately \$666,000,000 in authorized but unsold bonds, of which approximately \$243,000,000 is allocated to the Airport Hotel Project and approximately \$423,000,000 is allocated to other Capital Improvement Projects.

<sup>3</sup> The number of passengers is based on the number of "enplanements" (departing passengers), "deplanements" (arriving passengers) and "in-transit" passengers (passing through).

Projects included in the Capital Plan that have not yet received environmental clearance can use other funding sources such as Small Capital Outlay or Commercial Paper to fund design and planning costs; however, construction costs cannot be funded until environmental clearance is obtained. Once environmental clearance is obtained, the Airport could seek Board of Supervisors approval to fund these projects with Airport revenue bonds.

**Rating Agencies**

The Airport engaged three rating agencies (Moody's, S&P Global and Fitch Ratings) in September 2016 to rate the proposed sale of Airport revenue bonds. All three agencies confirmed and rated the sale of the 2016B, 2016C and 2016D revenue and refunding bonds as strong, as shown in Table 1 below.

**Table 1: Bond Rating Agencies Review of Airport Revenue Bonds**

Rating Agency	Investment Grade	Description	Risks
Moody's	A1	Strong	- Large debt-funded Capital Improvement Plan - One airline, United Airlines, accounts for 21% of operating revenue and 45% of enplanements - Current airline agreement expire in 2021 just as airline costs will peak due to added debt for the CIP
S&P	A+	Strong	- Increased leverage and capital needs financed by bond proceeds - High cost structure - High concentration of one primary carrier - United Airlines
Fitch	A+	Strong	- Large debt-funded Capital Improvement Plan

The rating agencies identified some risks including: (1) a large debt-funded Capital Improvement Plan and (2) one primary airline carrier (United Airlines) which accounts for 21 percent of the Airport's operating revenue.

**FISCAL IMPACT**

**Appropriation of Airport Capital Plan Revenue Bonds (File 17-0200)**

The \$4,832,455,418 in Airport Capital Plan revenue bond proceeds includes the requested appropriation of \$4,358,694,227 in new bond authorization (File 17-0211) and \$473,761,191 in prior Airport Capital Plan bonds authorized by the Board of Supervisors but not issued. The sources and uses of \$4,832,455,418 are shown in Table 2 below.

**Table 2: Sources and Uses of Funds**

Sources	Amount
Proceeds from Proposed Sale of Airport Capital Plan Bonds	\$4,358,694,227
Prior Authorized, Not Currently Appropriated of Airport Capital Plan Bonds	473,761,191
<b>Total Sources</b>	<b>\$4,832,455,418</b>
<b>Uses</b>	
Airfield Improvements	\$8,293,664
Airport Support Improvements	489,265,228
Groundside Improvements	382,773,947
Terminal Improvements	2,829,105,383
Utility Improvements	102,707,228
Subtotal Capital Project	3,812,145,450
CSA Auditor Allocation (0.2% of Capital Project)	7,624,291
Cost of Issuance <sup>4</sup>	14,892,437
Debt Service Reserve <sup>5</sup>	411,608,451
Capitalized Interest <sup>6</sup>	452,540,040
Contingency Account <sup>7</sup>	112,785,385
Underwriter Discount <sup>8</sup>	20,859,364
Subtotal Financing and Other	1,020,309,968
<b>Total Uses</b>	<b>\$4,832,455,418</b>

**Capital Improvement Projects**

The proposed Airport Capital Plan projects to be funded by the subject Airport Capital Plan revenue bond proceeds are focused on meeting current and projected air traffic demand. The Capital Improvement Program Working Group evaluates and ranks new and existing capital projects using an established criteria matrix. The Capital Project Review Committee then reviews and approves the selection of projects, and submits its recommendations to the Airport Director. If the Airport Director approves the Capital Plan, it is submitted to the Airport

<sup>4</sup> Costs of Issuance consist of expenses associated with the sale of a bond, including fees for financial advisors, counsel, the trustee and rating agency fees and other expenses.

<sup>5</sup> Debt Service Reserve is a fund in which an issuer sets aside money in case its regular debt service fund is insufficient to make a future debt service payment as required by the Airport Commission's master bond indenture.

<sup>6</sup> Capitalized Interest is the portion of the proceeds of a bond issue that is set aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized for the construction period of a revenue-producing project, and sometimes for a period thereafter, so that debt service expense does not begin until the project is expected to be operational and producing revenues.

<sup>7</sup> The Contingency Account holds Airport funds that may be used for operating or capital purposes, but are also used each year to help the Airport meet its bond covenant requirement to have the sum of annual net operating revenues plus the balance in the Contingency Account equal at least 125% of annual debt service, as required by the Airport Commission's master bond indenture.

<sup>8</sup> The Underwriters Discount is the difference between the price paid by the underwriter to the issuer for the new bond issue and the prices at which the securities are initially offered to the investing public. This difference provides the underwriter with compensation for the transaction, as well as reimbursement for expenses.

Commission and then to the Board of Supervisors through the City's Capital Plan approval process. Additionally, all capital projects above \$704,000 must be approved by the airlines, per the Airport's Lease and Use Agreement.

According to Ms. Kaitlyn Connors, Airport Budget Director, capital improvement project budgets are developed by project managers within the Airport divisions proposing the projects. Airport Finance staff reviews the projects and evaluates available funding sources. The project manager is responsible for developing an individual project's schedule.

The major projects to be funded by the subject bond proceeds are described below. Appendix I provides budget details.

Airfield Improvements: \$8,293,664

The two major projects for the Airfield are (1) the Advanced Visual Docking Guidance System, project and (2) the construction of a new materials testing lab. The Airport plans on installing an Advanced Visual Docking Guidance System that will provide pilots with increased safety information, such as equipment and foreign object debris location or stopping distance to the gate. The project is currently underway and is expected to be completed in FY 2018-19. The New Materials Testing Lab will replace and relocate the existing materials testing lab trailer. Existing trailer units have been in service for over 15 years and test equipment is aged, worn, and deficient. A new lab will help address the anticipated work load increase expected in the upcoming years. The project is anticipated to be completed in FY 2018-19.

Airport Support Improvements: \$489,265,228

The Airport is currently implementing a wide range of security and technology, including improvements to Airport security data and video systems including the expansion and upgrading of closed circuit television (CCTV) cameras and infrastructure to increase monitoring capability and the conversion of existing CCTV cameras to digital internet protocol (IP). Other security measures include replacement of rolling gates at the Coast Guard facility, and infrastructure improvements for the Airport Communications Center. Also included in this category is a new project to install a Perimeter Intrusion Detection System (PIDS) along the entire water perimeter and fence line of the Airfield Operations Area. This project is estimated to be completed in FY 2019-20.

Groundside Improvements : \$382,773,947

Groundside improvements include improvements to the AirTrain system, including upgrading its existing control system, extending the current system and adding a new station at the long term parking garages, and completion of the construction of a second multi-level long-term parking structure for approximately 3,000 spaces. These projects are expected to be completed in FY2019-20 and FY 2018-19, respectively.

Terminals Improvements: \$2,829,105,383

The Terminal 1 Redevelopment Program will modernize Terminal 1 and Boarding Areas B and C. The program is currently being implemented in phases and is estimated to be completed by FY 2022-23, and contains the following program elements:

- Demolition of the existing Boarding Area B, replacing it with a new boarding area configured to accommodate modern aircraft requirements, larger hold rooms, and improved concessions. The new Boarding Area B will be expanded to include 24 gates. The program will renovate Terminal 1, including a complete replacement of the architectural building envelope, upgrades of all mechanical systems and special systems replacements, interior architectural renovations, facility upgrades such as a new consolidated passenger screening checkpoint, new airline ticket counters, and new concessions program, all consistent with the Terminal 2 standard.
- A new consolidated baggage handling system (BHS) and checked baggage inspection screening (CBIS) system.
- Renovation of Boarding Area C to current Airport standards.
- Various Airport, airline and governmental agency relocations and improvements.

The Terminal 3 West Improvement project will begin in FY 2017-18, with an estimated completion date of FY 2022-23. The project will reconfigure the western side of the Terminal 3 to extend the building's useful life with upgrades to infrastructure, improvements in building and technology systems, compliance with the latest building fire and life safety code requirements, reconfiguration of security checkpoints, and added concessions space. The redesigned layout will improve passenger flow and improve customer service. The Terminal 3 West project includes improvements to the Boarding Area F plaza.

Utility Improvements: \$102,707,228

The major utility upgrades are currently underway and include (a) power and lighting improvements and (b) waste water system improvements. Power and lighting improvements will ensure a reliable power supply for Airport facilities and increase the capacity to meet current and future projected demand. Specific projects include upgrades to Substation TV and Station BP, replacement of the 400 hertz system in Boarding Area A in the International Terminal, and infrastructure to support electric vehicle charging stations within parking garages and other Airport facilities. The power and lighting improvements are expected to be completed in FY 2019-20. The Airport will also upgrade and replace the Airport sewage and industrial waste systems. The Airport will continue construction on the new Industrial Waste Treatment Plant, undertake a major water conservation effort to design and construct infrastructure to expand the use of reclaimed water, construct a new sewer outfall to South San Francisco, and upgrade and replace aging pipelines. The wastewater system improvements are expected to be completed in FY 2020-21.

**Airport Revenue Bonds Debt Service (File 17-0211)**

The Airport proposes to sell the \$4,832,455,418 Airport Capital Plan bonds, including \$4,358,694,227 in new revenue bond authorization and \$473,761,191 in prior revenue bond authorization, through several competitive sales with a 30-year term at an estimated 6.5 percent fixed interest rate. The actual interest rate will not be known until the time of bond sale. According to Ms. Connors, the Airport expects to issue bonds twice per year through FY 2020-21, but the timing and sizing of each issue would be determined based on an assessment of capital plan cash flow requirements and market conditions. The bonds are expected to be fully repaid in 2050 from Airport revenues.

The Airport estimates total debt service over 30 years of \$10.8 billion, including \$4.83 billion in principal and approximately \$5.97 billion in interest. Average annual debt service is \$327.3 million.

Debt service on the Airport's Capital Plan bonds is paid from Airport revenues. Under the Lease and Use Agreement between the Airport and the airlines, the Airport has the authority to increase the landing and terminal fees charged to the airlines to meet its operating expenses, including annual debt service on outstanding Airport revenue bonds. According to Ms. Connors, each year, the Airport updates the terminal and landing fees. To do so, the Airport forecasts the total annual expenses and the total non-airline revenues. The difference between the annual expenses and non-airline revenues must be paid from airline landing and terminal fees, which are adjusted by the Airport to fill the gap.

The additional debt service costs have been factored in the Airport's financial plans, including the Airport's FY 2016-17 and FY 2017-18 operating budgets, approved by the Board of Supervisors in July 2016, the Airport's 5-Year Capital Improvement Plan (June 2016), the Airport's Bond Series 2016BCD financial forecast for the Airport (September 2016), and the Airport's FY 2016-17 rates and charges (May 2016).

**Increase in Commercial Paper Authorization**

Under most market conditions, commercial paper interest rates, which are short-term rates, are significantly lower than the interest rates on long-term bonds. As of today, the short-term rate on commercial paper notes is about one percent, compared to a long-term bond rate of four percent. According to Ms. Connors, the Airport's financial advisors estimated that the additional \$100 million increase in commercial paper authorization could reduce the Airport's debt service expenses by up to \$20 million over the next five years due to lower borrowing costs as compared to traditional fixed rate bonds. Ms. Connors estimates that the next commercial paper issuance is slated for April 2017.

**RECOMMENDATION**

Approve the proposed resolution (File 17-0211) and ordinance (File 17-0200).



## Projects Funded by Appropriation

Airport Program	Project Name	Supplemental Project Total
Miscellaneous Airfield Improvements	10507 Advanced Visual Docking Guidance System (A-VDGS)	\$3,993,664
Miscellaneous Airfield Improvements	11117 Materials Testing Lab	2,600,000
Capital Equipment	11234 Airfield Buses	1,200,000
Capital Equipment	11221 Airfield Striper Equipment	500,000
<b>Airfield Total</b>		<b>8,293,664</b>
Security Improvements	10511 Security Infrastructure Program	184,252,358
Air Traffic Control Tower Program	9034 Design Build for Demo of T2 ATCT and Terminal Improvements	43,702,000
Superbay Renovation Program	11160 Superbay Hangar Renovation Project	29,850,000
Support Facility Improvements	11174 Renovation of Cargo Buildings 606 and 730	25,000,000
Wayfinding Program	11001 Wayfinding Program	22,706,250
Cargo and Hangar Improvements	9322 Renovation of Cargo Buildings 900 and 944	12,701,000
Technology Improvement Projects	11139 Dense Wavelength Division Multiplexing Transport	11,600,000
Airport Support Miscellaneous Improvements	11047 Airport Solid Waste Management Program	11,000,000
Shuttle Bus Replacement	9281 CNG Shuttle Bus Vehicle Replacement Phase 2	9,000,000
South Field Redevelopment Program	10051 South Field Tenant Relocations	8,966,911
Airport Support Miscellaneous Improvements	11150 Computer Aided Dispatch (CAD) Replacement	8,000,000
Airport Support Miscellaneous Improvements	11104 Virtual Design & Construction Implementation Program	7,400,000
Support Facility Improvements	10574 Police Training Support Facility	7,200,000
Technology Improvement Projects	11155 Mobile Application Development and Delivery	5,100,000
Technology Improvement Projects	10674 Information Technology Enterprise Information Architecture Initiative (IT-EIAI)	5,050,000
Technology Improvement Projects	11130 Multi-Use Flight Information Display Upgrade	5,000,000
Superbay Renovation Program	8877B Superbay Hangar Door Retrofit Phase B	4,770,000
Technology Improvement Projects	9120 Metro Ethernet (Metro-E)	4,700,000
Airport Support Miscellaneous Improvements	8717 Modify and Refurbish ITC Check In Counters and Gate Podiums	4,650,000
Superbay Renovation Program	11189 Superbay 6th Floor Asbestos Abatement	4,330,000
Noise Insulation Program	8846D Noise Insulation Improvements	4,160,000
Support Facility Improvements	9238 ITB Conference Center	3,800,000
Technology Improvement Projects	11149 Access Layer Refresh 10 Gbps	3,700,000
Support Facility Improvements	9321 Emergency Response Facilities Improvements	3,600,000
Security Improvements	11159 Replacement of Badging Identity Management System	3,500,000
Support Facility Improvements	10610 ITT and Accounting Work Area Renovations	3,421,600
Technology Improvement Projects	9170 Network Improvements	3,150,000

Airport Program	Project Name	Supplemental Project Total
Energy and Efficiency Improvements	9188 Airport Wide Lighting Retrofit	3,000,000
Technology Improvement Projects	11156 Comprehensive Support Plan	2,850,000
Airport Support Miscellaneous Improvements	11161 Building Information Technology Upgrade	2,780,000
Support Facility Improvements	10578 Building 710 Chiller and Cooling Tower Replacement	2,480,000
Airport Support Miscellaneous Improvements	11073 Ramp Lighting Glare Reduction	2,400,000
South Field Redevelopment Program	10052 South Field Abatement, Demolition, and Hazmat	2,379,222
Technology Improvement Projects	10678 Avaya Communication Manager Upgrade 7.0	2,250,000
Consolidated Administration Campus	8872.CAC Planning & Program Management	1,750,000
Fire Equipment Program	9302 Replace ARFF Rescue 88	1,750,000
Airport Support Miscellaneous Improvements	10630 Airport Facilities Fall Protection System (formerly 8206B)	1,570,000
Airport Support Computer System Improvements	10535 Capital Planning System (CPS) Phase III	1,555,200
Airport Support Miscellaneous Improvements	11136 Ground Transportation Management System (GTMS) Phase II	1,500,000
Technology Improvement Projects	11157 Single Sign On Implementation	1,500,000
Technology Improvement Projects	11154 ITIL/ISO Certification	1,450,000
Security Improvements	11151 Water Perimeter Intrusions Detection System	1,300,000
Airport Support Computer System Improvements	11216 ISO27001 Information Security Management System	1,300,000
Technology Improvement Projects	11158 Data Analytics Compute Processing	1,293,000
Security Improvements	10538 Physical Security Information Management (PSIM)	1,000,000
Security Improvements	10541 License Plate Recognition (LPR) System	1,000,000
Support Facility Improvements	9329 IT Museum Aviation Annex	870,000
Technology Improvement Projects	11132 Digital Signage Software System Enhancement	800,000
Capital Equipment	10565 Portable Generators	753,000
Capital Equipment	9293 Grinder	750,000
Airport Support Computer System Improvements	8399A Property Management & Billing System (PMBS) Phase 2	708,884
Technology Improvement Projects	11153 Internet Hardware Upgrade	700,000
Airport Support Computer System Improvements	9044 Document Management System (DMS)	670,000
Superbay Renovation Program	11172 Superbay Hangar Infrared Heating System Replacement	660,000
Technology Improvement Projects	8411A SharePoint ERP Phase 1, Integrated Time and Labor Accounting (ITA) Program	640,000
Capital Equipment	11097 Boom and Scissor Lifts II	600,000
Fire Equipment Program	10545 Haz Mat Emergency Response Trailer	600,000
Airport Support Computer System Improvements	10501 Contract Management Compliance System (CMCS) (previously 9225)	540,000
South Field Redevelopment Program	11044 BICE Office Relocation	517,000
Security Improvements	11095 Video Wall Refresh Program	500,000

Airport Program	Project Name	Supplemental Project Total
Technology Improvement Projects	11217 Managed Security Upgrade	500,000
Technology Improvement Projects	9134A IT Security Mitigation	450,000
Airport Support Computer System Improvements	9051 Operating Budget System (OBS)	450,000
Capital Equipment	9164 Semi Truck	440,000
Consolidated Administration Campus	8872A Phase 1 - Administration Building 1 (D&C, Museum, ITT & Planning)	438,372
Capital Equipment	9163 Grandall Excavator	425,000
Noise Insulation Program	8846C Noise Insulation Improvements	420,000
Technology Improvement Projects	11222 SFO Data Storage System	420,000
Capital Equipment	11110 CNG High Speed Sweeper	420,000
Technology Improvement Projects	9171 Network Monitoring & Management	400,000
Capital Equipment	11094 Mower	360,000
Capital Equipment	9145B Mower	325,000
Capital Equipment	9162 CNG Emulsion Truck	260,000
Security Improvements	11099 CTX Remote Start-Stop System	250,000
Capital Equipment	11162 Motorized Aircraft Passenger Air Stairs	195,000
Support Facility Improvements	9330 IT Museum Public Video Screening	150,000
Technology Improvement Projects	8868 Business Continuity of Operations	110,000
Capital Equipment	9153 Asphalt Drum Roller	85,000
Technology Improvement Projects	8968 Network Security	67,000
Capital Equipment	11092 Flatbed (2)	(5,000)
Capital Equipment	9155 CNG High Speed Air Sweeper	(20,000)
Capital Equipment	11098 Gradall Material Handler	(110,000)
South Field Redevelopment Program	10050 Fire House No. 3 (FH3) and South Field Checkpoint Relocation	(1,491,569)
<b>Airport Support Total</b>		<b>489,265,228</b>
Airtrain Extension	10504 AirTrain Extension	172,075,000
Additional Long Term Parking Garage	9273 Second Long Term Parking Garage	101,613,947
Roadway Improvements	10670 Intersection Improvements	26,800,000
Parking & Garage Improvements	10561 Central Garage Elevators, Escalators, and Moving Walks	19,000,000
AirTrain Improvements	10509 AirTrain Control Systems Upgrade	8,000,000
Roadway Improvements	9049 Variable Message Signs Replacement	7,900,000
Viaduct Improvements	4106 Terminal Upper Level Viaduct Improvements, Phase II	6,350,000
Viaduct Improvements	4105 Terminal Upper Level Viaduct Improvements, Phase I	6,120,000
Parking & Garage Improvements	10576 New Emergency Generator for Central Garage	4,000,000
Roadway Improvements	10566 North Link Road Traffic Signal Improvements	3,800,000

Airport Program	Project Name	Supplemental Project Total
Parking & Garage Improvements	8602 Domestic Garage Improvements	3,100,000
Parking & Garage Improvements	11145 Central Garage 5th Level ADA Doors	2,900,000
Parking & Garage Improvements	10648 Long Term Parking Guidance and Security System	2,750,000
Parking & Garage Improvements	10643 Tear Drop Lot Redevelopment in South McDonnell Road	2,740,000
Roadway Improvements	11137 Roadway Lighting Upgrades (TBDP002)	2,650,000
Parking & Garage Improvements	10516 West Field Garage Top Level Repairs and Coating	2,300,000
Parking & Garage Improvements	10513 Building 710 Parking Improvements	2,300,000
Security Improvements	9054 Coast Guard Rolling Gates 105 and 106 Replacement	2,200,000
Parking & Garage Improvements	8879B Central Garage CO Monitoring System Replacement	1,825,000
Parking & Garage Improvements	11144 Central Garage Tunnel Doors	1,650,000
Parking & Garage Improvements	10512 Lot D Improvements and PARCS Automation	1,100,000
Support Facility Improvements	8852 RAC First Floor Remodel	850,000
Parking & Garage Improvements	11207 Restripe of Lots C, D and DD	750,000
<b>Groundside Total</b>		<b>382,773,947</b>
Terminal 3 Redevelopment Program	10071 Terminal 3 West Improvements	752,000,000
Terminal 1 Program	10011 T1 - Central Area	638,478,848
Terminal 1 Program	10010 T1 - Boarding Area B Redevelopment	617,734,743
Terminal 1 Program	10012 T1 - Baggage Handling System	156,726,204
Net Zero Energy Program	11168 Net Zero Energy Program Support	100,000,000
International Terminal Refresh Program	11118 ITB Arrivals Level System Improvements	92,775,157
International Terminal Baggage Handling System	11002 ITB CBIS and BHS Modernization	91,950,000
Gate Capacity Enhancements	9302 Replace ARFF Rescue 88	91,217,500
CIP Program Support	10401 CIP Programmatic Support	47,300,000
Revenue Enhancement and Customer Hospitality (REACH) Program	9350 REACH Phase I	42,619,616
Terminal 3 Redevelopment Program	10076 Terminal 3 B/A F Passenger Boarding Bridges & Capacity Improvements	35,340,000
Revenue Enhancement and Customer Hospitality (REACH) Program	11123 Concession Improvements (REACH)	27,838,600
Terminal 1 Program	10005 T1 - Taxilanes H&M Relocation	24,286,707
Technology Improvement Projects	11211 Terminal Management System Upgrade	17,800,000
Technology Improvement Projects	9304 Public WIFI - Terminals	9,490,000
Terminal 1 Program	10003 T1 - Interim Boarding Area B & SSCP	8,389,276
International Terminal Improvements	10553 IT Fire Alarm System Upgrade	6,200,000
Miscellaneous Terminal Improvements	11071 Airport Terminals Public Address System Upgrades	5,920,000

Airport Program	Project Name	Supplemental Project Total
Terminal 1 Program	9185 T1 - Program Management Support	5,701,131
Miscellaneous Terminal Improvements	11054 New Boarding Area C Restrooms	5,600,000
International Terminal Improvements	10577 Upgrade ITB PC Air System	5,000,000
International Terminal Improvements	8519B B/A G A380 Improvements, Phase B	4,880,000
Revenue Enhancement and Customer Hospitality (REACH) Program	11124 Service Animal Relief Areas (REACH)	4,520,000
Miscellaneous Terminal Improvements	11200 All-Terminals Meet & Greet Improvements	4,520,000
International Terminal Improvements	10667 IT Boarding Areas A & G Holdroom Furniture	4,500,000
Revenue Enhancement and Customer Hospitality (REACH) Program	9301 International Terminal Mini Parks (REACH)	4,050,000
Security Improvements	10568 Airport Domestic Terminals Fire Alarm System Upgrade	3,900,000
Miscellaneous Terminal Improvements	10666 Terminal 3 Boarding Area F Holdroom Furniture	3,300,000
Revenue Enhancement and Customer Hospitality (REACH) Program	10671 Boarding Area A Corridor Improvements	3,220,000
Miscellaneous Terminal Improvements	11009 Garage Lobby Tunnel Renovation Phase III (8579A)	3,200,000
Security Improvements	10559 Communication Center Infrastructure Improvements	3,100,000
Miscellaneous Terminal Improvements	11148 Installation of Airport Magnetic Stanchions	1,500,000
Miscellaneous Terminal Improvements	11107 HVAC Automation/Optimization Study	1,500,000
Technology Improvement Projects	10563 Common Use Self Service (CUSS) Ticketing Kiosks	1,380,000
International Terminal Improvements	10546 Automated Passenger Wait Time Technology	1,200,000
Technology Improvement Projects	11128 Common Use Self Service (CUSS) Check-in Kiosk Expansion	1,100,000
International Terminal Improvements	11165 IT Media Room	460,000
International Terminal Improvements	11170 B/A "A" Security Checkpoint Expansion	250,000
International Terminal Improvements	11208 Global Entry Office Expansion	151,601
Technology Improvement Projects	10622 Operational WiFi Improvements	31,000
International Terminal Improvements	11173 ITB Passenger Boarding Bridge Carpet Replacement (9159 addl scope)	(25,000)
<b>Terminals Total</b>		<b>2,829,105,383</b>
Net Zero Energy Program	11068 Energy Management & Control System (EMCS) Program	67,980,000
Power & Lighting Improvements	11214 Boarding Area 'A' 400 Hertz System Upgrade	8,000,000
Power & Lighting Improvements	11215 Utility Infrastructure Improvement Program	5,900,000
Power & Lighting Improvements	11198 Airport wide UPS Replacement and Upgrade	3,720,000
Central Plant Improvements	10523 Central Plant Renovation	3,344,228
Energy and Efficiency Improvements	11101 Airport Wide Power Distribution System Study	3,000,000
Energy and Efficiency Improvements	9165 Electric Vehicle Chargers Infrastructure at Cell Phone Lot	3,000,000

Airport Program	Project Name	Supplemental Project Total
Energy and Efficiency Improvements	11163 Energy Bench Marking and Building Integration Program	2,170,000
Storm Drain Improvements	8587B Storm Drain Pump Stations 1B and 1C Imp	2,143,000
West of Bayshore Improvements	8620 West of Bayshore Drainage Improvements	1,600,000
Water System Improvements	8704 West of Bayshore Water Mains Imp	1,250,000
Power & Lighting Improvements	11127 Solar Power Generation Feasibility Study	600,000
<b>Utilities Total</b>		<b>102,707,228</b>
<b>Grand Total</b>		<b>\$3,812,145,450</b>

Note: Negative project budgets for five projects are based on the difference between the original and revised budgets to ensure the appropriation amount tied back to the previously approved Capital Improvement Plan.

14  
368



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Todd Rydstrom**  
**Deputy Controller**

**Nadia Sesay**  
**Director**  
**Office of Public Finance**

**MEMORANDUM**

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**TO:** Honorable Members, Capital Planning Committee

**FROM:** Nadia Sesay, Public Finance Director

**SUBJECT:** San Francisco Airport Commission Revenue Bonds, Commercial Paper Authorization and Supplemental Appropriation Ordinance

**DATE:** December 9, 2016

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On behalf of the San Francisco Airport Commission, I respectfully request that the Capital Planning Committee consider for review and recommendation to the Board of Supervisors the resolutions authorizing the issuance of up to \$4.36 billion in additional Airport Revenue Bonds and authorizing additional \$100 million in the Airport's Commercial Paper Program; and supplemental appropriation of bond proceeds to finance various airport capital projects and associated financing costs.

**Background:**

The San Francisco Airport Commission (the "Commission") issues Revenue Bonds, including Capital Plan Bonds, under its 1991 Master Bond Resolution, as supplemented and amended. Following completion of the Airport's \$2.5 billion Near-Term Master Plan capital program in 2000, the Commission issued only refunding bonds from 2001 to 2009, and financed its capital projects with proceeds from prior bond sales, grant funds and operating revenues. Then, in preparation for the renovation of Terminal 2, Boarding Area E, Terminal 3 East, the Air Traffic Control Tower and other capital projects, the Commission and the Board adopted Resolutions in 2008, 2012, 2014 and 2015, amending and supplementing the 1991 Master Resolution to authorize the issuance of Capital Plan Bonds to fund those projects. Since 2008, the Board has authorized approximately \$3.43 billion in Capital Plan Bonds<sup>1</sup>, of which approximately \$1.14 billion remain unissued, including \$243 million specifically authorized for the design and

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From 2008 - 2015, the Commission has authorized the issuance of approximately \$5.02 billion in Revenue Bonds in aggregate, whereas the Board has authorized approximately \$3.43 billion. The difference occurred in 2014, when the Commission approved an increase in Revenue Bond authorization of approximately \$3.55 billion, but the Board approved a smaller increase in the Revenue Bond authorization of approximately \$1.97 billion, with the expectation that the Commission would return to the Board for additional bond authorization at a later date.

construction of an on-Airport hotel. While the amount of available authorization appears large, it is smaller than the total amount of the Commission's next two planned bond sales in 2017, which have a combined projected principal amount of \$1.83 billion.

Since 1997, the Commission has utilized up to \$400 million in Commercial Paper<sup>2</sup> as a source of interim financing for capital projects, allowing the Commission to meet construction cash flow requirements between bond sales. The Commission anticipates continuing its practice of issuing Commercial Paper Notes as a source of low-cost interim financing to fund initial project expenditures, and then retiring these short-term obligations by periodically issuing long-term Capital Plan Bonds. Given the magnitude of the Commission's capital financing needs during the next five years, and given the lower borrowing cost of Commercial Paper relative to Capital Plan Bonds, the Commission has indicated that increasing the maximum amount of Commercial Paper that it may issue at any one time for interim financing purposes by \$100 million could produce significant debt service savings over the next five years.

#### **FY2016-17 Five-Year Capital Plan:**

The Airport has experienced seven consecutive years of passenger growth. In FY 2016, the Airport served a record 51.4 million passengers, a 56% aggregate increase over its passenger level in FY 2007. The growth in passenger demand has caused strains on the Airport's facilities, such as peak period terminal gate capacity constraints, increased demand for public parking capacity, and increased ground transportation congestion within the Airport campus. These factors, combined with the need to continually improve airport security, and to meet State of Good Repair requirements, are driving the Airport's largest Capital Plan since the late 1990's. The approved Five-Year Capital Plan for the period FY2016-17 through FY2020-21 was adopted by the Commission on June 1, 2016, and includes major capital projects, such as:

- Renovation of Terminal 1;
- Renovation of Terminal 3 West;
- A new long-term parking garage;
- AirTrain Extension from the Rental Car Center to the Long-term parking garage;
- Consolidated Administrative Campus; and
- On-Airport hotel.

Approximately \$4.5 billion in Five-Year Capital Plan projects have completed environmental review, but have not yet been financed. These projects would be financed from a combination of existing and proposed Capital Plan Bond authorization. As more projects complete their environmental reviews, the Commission intends to return to the Board at a later date for authorization to finance up to an additional \$808 million in capital projects, plus related financing costs.

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<sup>2</sup> This represents the maximum principal amount of Commercial Paper Notes that may be outstanding at any time.



**Financing Parameters:**

Capital Plan Bonds

In order to finance approximately \$4.5 billion in capital projects that have received environmental review, as well as related financing costs, the Commission is requesting Board approval for approximately \$4.36 billion in additional Capital Plan Bond authorization. If approved, when combined with prior Capital Plan Bond authorization amounts, this action would bring the total amount authorized by the Board, but unissued, to approximately \$5.5 billion.

<b>Existing and Proposed Capital Plan Bond Authorization (in Millions)</b>	
	<b>Estimated Amount</b>
Prior Remaining Bond Authorized	\$1,144
Proposed Capital Plan Bond increase	<u>4,359</u>
Total Remaining Authorized and Proposed <sup>[1]</sup>	\$5,503

<sup>[1]</sup> Includes amounts to finance capital project costs that have received environmental review, financing costs (debt service reserve deposits, contingency account deposits, capitalized interest, costs of issuance), and CSA audit expenses.

The \$5.5 billion in aggregate Capital Plan Bond authorization would provide the authorization necessary to finance a significant portion of the Airport's Five-Year Capital Plan. Proceeds from the proposed Capital Plan Bonds, along with the proceeds of previously authorized Capital Plan Bonds, will be used to:

- Fund approximately \$4.5 billion of capital projects approved by the Commission, which have completed environmental review;
- Refund any outstanding Commercial Paper Notes issued to provide interim financing for capital projects;
- Finance capitalized interest during construction;
- Make deposits to the Contingency Account and Debt Service Reserve Fund ("DSR Fund"<sup>3</sup>); and

<sup>3</sup> Funds in the DSR Fund can only be used to pay debt service on bonds secured by the DSR Fund. In contrast, funds in the Airport's Contingency Account can be used to pay Airport operating costs, capital project costs, or principal of and interest on bonds. The Contingency Account balance is also used in calculating compliance with an Airport covenant to maintain Net Revenues (i.e., operating revenues after operating and maintenance expenses) that, together with other available funds, including some or all of the Contingency Account balance at fiscal year-end, is at least 1.25 times the level of annual bond debt service. Consequently, the Contingency Account balance needs to be increased in connection with proposed increase in Capital Plan Bonds, so that the Contingency Account remains in proportion to annual debt service, as the Airport's debt service costs increase over time.

- Pay costs of issuance and CSA audit expenses.

The Commission's Capital Plan Bonds may be issued as fixed rate, variable rate or index rate bonds in accordance with the terms of the 1991 Master Resolution, and must be sold by June 30, 2023. The type of Capital Plan Bonds to be issued and the timing of the bond issues will be determined based on several factors, including capital project cash flow requirements and financial market conditions.

Of the \$5.5 billion in total approved and proposed Capital Bond amount, \$243 million was previously approved by the Capital Planning Committee to finance the on-Airport Hotel. The Commission anticipates issuing up to \$5.26 billion in Capital Plan Bonds over a five-year period. Based on a conservative assumption regarding interest rates for the Commission's future bond issues (6.5% interest rate on 30-year fixed rate bonds)<sup>4</sup>, the Commission estimates that the average annual debt service over the life is approximately \$356.1 million.

The approvals in this Resolution are intended to establish a financing mechanism for capital projects approved by the Commission from time to time, and do not constitute approval of any particular project, which are approved by separate action of the Commission and/or Board. The Commission will not authorize the sale of Capital Plan Bonds to fund construction of a specific project in the Capital Plan unless the necessary environmental review for the project has been completed, if required, and the Commission determines to proceed with the project. As such, proceeds of Capital Plan Bonds may only be used to fund: 1) construction costs of projects that either do not require environmental review or have already undergone all necessary environmental review and received Commission approval to proceed; and 2) planning and development costs necessary to prepare other projects for environmental review and the necessary approvals.

#### Commercial Paper

The proposed Resolution also authorizes the issuance of an additional \$100 million principal amount of Commercial Paper Notes, which would bring the total authorization level to \$500 million in principal outstanding at any one time, in order to provide additional interim financing capacity for projects in the Airport's Five-Year Capital Plan. By doing so, the Airport estimates that it could reduce its debt service expenses by up to \$20 million in aggregate over the next

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<sup>4</sup> Other key assumptions underlying the debt service estimates include: 1) level debt service structure with par amortizing beginning in 2021; 2) Debt Service Reserve Fund sized at Maximum Annual Debt Service and funded with bond proceeds; 3) 16 months of Capitalized Interest expense; 4) Underwriters' discount estimated at \$4 per bond; and 5) debt service expenses associated with Capital Plan Bonds issued for the on-Airport hotel will be paid from hotel net revenues, and those expenses are not included in these estimates.

five years (after accounting for increased Commercial Paper interest costs, letter of credit fees and other related expenses), by taking advantage of lower short-term interest rates<sup>5</sup>.

Supplemental Appropriation

As a companion piece of legislation to the Resolution, the Commission is requesting approval of a Supplemental Appropriation Ordinance to finance project costs and associating financing costs. Of the estimated aggregate issuance amount of \$5.26 billion, the Commission is requesting a Supplemental Appropriation of \$4.83 billion which includes \$4.36 billion in proposed Capital Plan Bonds and \$474 million in prior approved Capital Plan Bonds yet to be appropriated. The remaining \$427 million was previously appropriated. If approved, the Commission's Supplemental Appropriation request would bring the total Capital Plan Bond appropriation amount equal to the total amount of Capital Plan Bond authorization. The Appropriation Request is summarized below:

**Summary of Airport Supplemental Appropriations Request  
(excludes existing appropriation)**

<b>Sources</b>	<b>Amount</b>
Proceeds from Proposed Sale of Capital Plan Bonds	\$4,358,694,227
Prior Authorized, Not Currently Appropriated	<u>473,761,191</u>
<b>Total Sources</b>	<b>\$4,832,455,418</b>
<b>Uses</b>	
Airfield Improvements	8,293,664
Airport Support Improvements	489,265,228
Groundside Improvements	382,773,947
Terminal Improvements	2,829,105,383
Utility Improvements	<u>102,707,228</u>
<b>Subtotal Uses: Capital Project</b>	<b>\$3,812,145,450</b>
CSA Auditor Allocation (0.2%)	7,624,291
Cost of Issuance	14,892,437
Debt Service Reserve	411,608,451
Capitalized Interest	452,540,040
Contingency Account	112,785,385
Underwriter Discount	<u>20,859,364</u>
<b>Other Costs Subtotal</b>	<b>\$1,020,309,968</b>
<b>Total Uses</b>	<b>\$4,832,455,418</b>

<sup>5</sup> Bond debt service savings are estimated to be up to \$30 million over the five year period, while the additional costs associated with Commercial Paper interest expenses and fees are estimated to be up to \$10 million over the same period.

**Debt Limit Impact:**

Because the Commission issues General Airport Revenue Bonds, rather than General Obligation Bonds, there is no impact on the City's Debt Limit.

**Property Tax Impact:**

Because the Commission issues General Airport Revenue Bonds, which are supported solely by Airport revenues, there is no impact on the City's Property Taxes.

**Financing Timeline:**

<b>Milestones:</b>	<b>Date</b>
Consideration by the Capital Planning Committee	December 12, 2016
Introduction of legislation and supporting materials to the Board	TBD
Sale of authorized Airport Capital Plan Bonds	Various dates from 2017 through 2023

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2017 FEB 28 PM 4:33

TO: Angela Calvillo, Clerk of the Board of Supervisors *en*  
FROM: *for* Mayor Edwin M. Lee *[Signature]*  
RE: Airport Commission Capital Plan Bonds - \$4,358,694,227 - Airport  
Commission Commercial Paper Notes - \$100,000,000  
DATE: February 28, 2017

---

Attached for introduction to the Board of Supervisors is a resolution approving the issuance of up to an additional \$4,358,694,227 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds to finance and refinance Airport Capital Plan projects; approving the issuance and re-issuance from time to time of up to an additional \$100 million aggregate principal amount of San Francisco International Airport Subordinate Commercial Paper Notes for any lawful Airport purpose; and ratifying, approving and confirming certain resolutions of the Board and the Airport Commission related to the foregoing.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.



File # 170211

# DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

NOTICE OF PUBLIC HEARING  
Notice is hereby given by the Airport Commission of the City and County of San Francisco (the "Commission"), which operates and manages the San Francisco International Airport (the "Airport"), that a public hearing will be held at 10:30 a.m. on Monday, December 5, 2016 pursuant to Section 147(f) of the Internal Revenue Code of 1986 (as amended, the "Code") with respect to the Commission's proposed plan of finance including the issuance by the Commission of tax-exempt bonds,

notes and other obligations, including without limitation revenue bonds, special facility revenue bonds, subordinate revenue bonds, commercial paper notes, and revenue refunding bonds, all in an aggregate principal amount not to exceed \$2.02 billion. Collectively, the "Bonds". The Commission intends to issue the Bonds in multiple series or issues from time to time as part of a plan of financing provided for in Section 147(f)(2) of the Code. The hearing will be held at San Francisco International Airport, Administration Offices, North Shoulder Building, Conference Room, 288. Interested persons wishing to express their views on the plan of finance and the issuance of the Bonds will be given the opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to the attention of Mr. Kevin Marjetic, Director of Finance, San Francisco International Airport, P.O. Box 8097, San Francisco, California 94128-0097, Conference Room 288 in the International Terminal, wheelchair accessible. Directions to Conference Room 288 may be obtained by calling (850) 871-2820. The closest accessible BART station is the San Francisco International Airport station. Various accessible bus lines serve the Airport. For more information about accessible transit services visit <http://sfi1.org>. There is accessible parking available at the Airport. For American Sign Language interpreters or use of a reader or assisted listening device during the hearing, please contact the Commission Secretary at (850) 821-2042 at least two business days before the hearing. A driver's license or other photo identification is required in order to check out an assisted listening device. In order to assist the Commission's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public hearings are reminded that other attendees may be sensitive to various chemical products. Please help the Commission accommodate these individuals. The proceeds of the Bonds will be used to finance and refinance projects, programs, facilities and improvements owned, operated and/or managed by the Commission, including (without limitation) the development, acquisition, construction, demolition, reconstruction, expansion, improvement, equipping, furnishing, renewal, restoration and/or replacement of terminals and boarding areas; air traffic control towers and related systems and facilities; cargo, hangar, maintenance and support buildings and facilities; baggage and cargo inspection and other security projects, programs, and facilities; electric, power, lighting, water, sewer, drainage, telephone, computer, navigation, communications, or other utility facilities and systems, including without limitation solar, wind, natural gas and other electric generating facilities; fuel storage and distribution facilities; aircraft fueling and other utilities and facilities; lodging, meeting and related buildings and facilities; information technology systems; noise and other environmental remediation and mitigation projects, programs and facilities; projects and facilities to address the potential impacts of climate change, including, without limitation sea level rise, on the Airport including without limitation sea walls and flood control systems; ground and transportation projects, programs and facilities, including without limitation rail and light rail systems; land and submerged land; parking lots and structures; signs, signage and signage structures; maintenance and support buildings and facilities; police, fire, rescue and public safety buildings, systems and facilities; roads, roadways, airfields, taxiways and aprons, including runway safety areas and engineered materials arresting systems; employee facilities, including administrative buildings and upgrades and redevelopment; and vehicles or other capital equipment related to any of the above, together with related costs and expenses. All such projects, programs, facilities and improvements are or will be located at or adjacent to the Airport except as set forth below. The Airport is located in an unincorporated area of San Mateo County bordering the San Francisco Bay and in small portions of the Cities of Millbrae and South San Francisco. Certain Airport noise mitigation projects, programs, facilities and improvements are located or are expected to be located within the Cities of Daly City, Millbrae, Pacifica, San Bruno and South San Francisco, as well as unincorporated areas of San Mateo County. Dated this 21st day of November, 2016. Airport Commission of the City and County of San Francisco.

Lori Gomez

Declares that:

The annexed advertisement has been regularly published  
in the  
SAN FRANCISCO CHRONICLE

Which is an was at all times herein mentioned  
established as newspaper of general circulation in the  
City and County of San Francisco, State of California, and  
as the term is defined by Section 6000 of the Government  
Code

SAN FRANCISCO CHRONICLE

(Name of Newspaper)

901 Mission Street

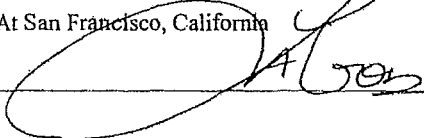
San Francisco, CA 94103

From 11/21/16  
To 11/21/16  
Namely on 11/21/16

(Dates of Publication)

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 11/22/16

At San Francisco, California  






AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0275

**RESOLUTION AUTHORIZING THE ISSUANCE AND RE-ISSUANCE OF UP TO AN ADDITIONAL \$100 MILLION AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO INTERNATIONAL AIRPORT SUBORDINATE COMMERCIAL PAPER NOTES, INCREASING THE AUTHORIZED MAXIMUM FROM \$400 MILLION TO \$500 MILLION AGGREGATE PRINCIPAL AMOUNT OF COMMERCIAL PAPER NOTES OUTSTANDING AT ANY TIME, TO PROVIDE INTERIM FINANCING FOR CAPITAL PROJECTS IN THE AIRPORT'S APPROVED CAPITAL PLAN**

WHEREAS, the Airport Commission of the City and County of San Francisco (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 and supplemented by Resolution No. 10-0307 adopted on October 5, 2010 (collectively, the "CP Resolution"), authorized the issuance from time to time of its San Francisco International Airport Subordinate Commercial Paper Notes ("CP") in an aggregate principal amount outstanding at any time of not to exceed \$400,000,000 for the purpose of providing interim funding for any lawful purposes of the Airport; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance and re-issuance of up to an additional \$100,000,000 aggregate principal amount of CP, for a new maximum authorized aggregate principal amount of \$500,000,000 of CP outstanding at any time, given the increased financing needs and contingencies of the Airport since such time; now, therefore, be it

RESOLVED, that this Commission authorizes the following:

Section 1. Defined Terms. Capitalized terms used but not otherwise defined in this Resolution shall have the meanings set forth in the CP Resolution.

Section 2. Increased Authorization. The issuance and re-issuance of up to an additional \$100,000,000 aggregate principal amount of CP outstanding at any time is hereby authorized. The total authorized aggregate principal amount of CP outstanding at any time is increased to \$500,000,000. CP shall be issued for the purpose of providing interim funding for any authorized purposes of the Airport.

Section 3. Board Approval. The Commission hereby authorizes and directs the Airport Director to request that the Board approve this Resolution, including the issuance and re-issuance by the Commission of up to an additional \$100,000,000 aggregate principal amount of CP outstanding at any time, for a new aggregate principal amount of CP outstanding at any time of not to exceed \$500,000,000, and request an appropriation to spend the proceeds of the additional authorized Commercial Paper Notes.

Section 4. Restriction on Expenditure of CP Proceeds. Proceeds of CP shall not be used for construction costs of any project unless the required environmental review, if any, for such project has been completed and the Commission has determined to proceed with such project and California Environmental Quality Act findings have been adopted as required by law. CP proceeds may also be used to fund planning and development costs necessary to prepare other projects for environmental review and the necessary approvals.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0275

Section 5.     Ratification of Prior Acts. The actions of the officers, employees and agents of the Commission to carry out the intents and purposes of this Resolution taken prior to the adoption hereof by the Commission are ratified, approved and confirmed.

Section 6.     Delegation by Airport Director. The Airport Director is authorized to delegate the authority granted to him pursuant to this Resolution in writing to a member of Airport management upon consultation with the Office of the City Attorney.

Section 7.     General Authorization. The Airport Director and the other officers, employees and agents 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 Office of 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, and the transactions contemplated hereby.

Section 8.     Ratification of the CP Resolution. The CP Resolution is hereby ratified, approved and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented, including as amended and supplemented by this Resolution. Any provisions of the CP Resolution inconsistent with the provisions of this Resolution are hereby repealed.

Section 9.     Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof.

Section 10.    Severability. Should the application of any provision of this Resolution to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Resolution shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of this Resolution.

AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 16-0275

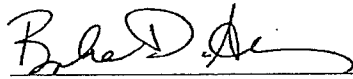
ADOPTED by the Airport Commission of the City and County of San Francisco this 1<sup>st</sup> day of November, 2016  
by the following vote:

Ayes: 5  
Noes: 0  
Absent: 0

[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney of the City and  
County of San Francisco

By   
Brooke D. Abola  
Deputy City Attorney

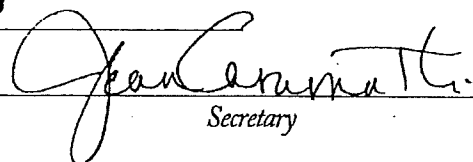
I hereby certify that the foregoing resolution was adopted by the Airport Commission at its meeting of  
November 1, 2016.

\_\_\_\_\_  
Secretary

Page 3 of 3

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of NOV 01 2016

381

  
Secretary



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0274

**AMENDMENT OF PRIOR RESOLUTIONS TO AUTHORIZE AN ADDITIONAL \$2,775,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS TO FINANCE CAPITAL PROJECTS IN THE AIRPORT'S APPROVED CAPITAL PLAN, AND RELATED ACTIONS**

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), 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 previously supplemented and amended, including as amended and supplemented by Resolution No. 08-0035, duly adopted on February 19, 2008 (the "Thirteenth Supplemental Resolution"), Resolution No. 12-0050, duly adopted on March 20, 2012 (the "Sixteenth Supplemental Resolution"), Resolution No. 14-0024, duly adopted on February 18, 2014 (the "Seventeenth Supplemental Resolution"), and Resolution No. 15-0182, duly adopted on September 22, 2015 (the "Eighteenth Supplemental Resolution"), is herein called the "1991 Resolution"; and

WHEREAS, the 1991 Resolution provides for the issuance by the Commission from time to time of San Francisco International Airport Second Series Revenue Bonds (the "1991 Resolution Bonds"); and

WHEREAS, the Commission, pursuant to the 1991 Resolution, has previously authorized the issuance of up to \$5,016,725,000 aggregate principal amount of 1991 Resolution Bonds (the "Capital Plan Bonds") for the purpose of financing and refinancing the development, acquisition, construction, and equipping of capital projects approved by the Commission and costs related thereto, of which an aggregate principal amount of \$2,727,605,000 remains unissued; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance of up to an additional \$2,775,000,000 aggregate principal amount of Capital Plan Bonds; and

WHEREAS, the Board of Supervisors of the City and County of San Francisco (the "Board") by its Resolutions Nos. 229-08, 349-12, 125-14 and 433-15 approved the issuance of a total aggregate principal amount of not to exceed \$3,433,030,773 of Capital Plan Bonds, of which \$1,143,910,773 remains unissued, and the Commission desires now to authorize the Airport Director to request the Board to approve an additional \$4,358,694,227 aggregate principal amount of Capital Plan Bonds and request a supplemental appropriation in the amount necessary for the Airport to spend the proceeds of authorized Capital Plan Bonds; and

WHEREAS, the Commission has previously approved, among other things, the form of documents for the 1991 Resolution Bonds, including the Capital Plan Bonds, in Resolution No. 10-0307, adopted by the Commission on October 5, 2010 (as supplemented and amended, the "Omnibus Approving Resolution"), and the Commission desires now to ratify and confirm such approvals; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0274

WHEREAS, the approvals in this Resolution are intended to establish a financing mechanism for capital projects approved by the Commission from time to time and do not constitute approval of any particular project, each of which is subject to approval by separate action of the Commission and/or Board; 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, additional Series of Bonds under the 1991 Resolution; now, therefore, be it

RESOLVED, that this Commission authorizes the following:

Section 1. Defined Terms. Capitalized terms used but not otherwise defined in this Nineteenth Supplemental Resolution shall have the meanings set forth in the 1991 Resolution.

Section 2. Increased Authorization. In accordance with Section 9.01(f) of the 1991 Resolution, in order to authorize the issuance of an additional aggregate principal amount of not to exceed \$2,775,000,000 of Capital Plan Bonds, the 1991 Resolution is hereby further amended and supplemented as follows:

- (a) Each of the references in the 1991 Resolution, including the caption and whereas clauses and in Sections 34-82.01 and 34-83.01(a) thereof, to "Five Billion Sixteen Million Seven Hundred Twenty-Five Thousand Dollars" and "\$5,016,725,000" of Capital Plan Bonds is hereby amended to read "Seven Billion Seven Hundred Ninety-One Million Seven Hundred Twenty-Five Thousand Dollars" and "\$7,791,725,000" respectively.
- (b) The Capital Plan Bonds shall be sold prior to June 30, 2023.

Section 3. Separate Commission Approval. The issuance of each individual Series of Capital Plan Bonds shall be approved by a separate resolution or resolutions of the Commission; provided, that the Commission shall not approve the sale of Capital Plan Bonds for construction costs of any project unless and until the required environmental review, if any, for such project has been completed and the Commission has determined to proceed with such project and California Environmental Quality Act findings have been adopted as required by law. Capital Plan Bonds may also be used to fund planning and development costs necessary to prepare other projects for environmental review and the necessary approvals.

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-027.8

Section 4. Certain Limitations on Capital Plan Bonds. No Capital Plan Bonds shall mature later than forty (40) years from the date of issuance thereof. The maximum number of separate series of Capital Plan Bonds (with each series consisting of all of the Capital Plan Bonds sold on a given date) shall be equal to the aggregate authorized principal amount thereof divided by \$25,000,000. The sale date for each series of Capital Plan Bonds shall be as determined by the Airport Director in his or her discretion.

Section 5. Use of Proceeds of Capital Plan Bonds. Capital Plan Bond proceeds may be used for the purposes of financing and refinancing the acquisition, development, construction and equipping of capital projects that are approved by the Commission from time to time (subject to the limitations in Section 3 above), making one or more deposits to the Contingency Account, making required deposits to debt service reserve funds, financing capitalized interest costs, paying costs of issuance in connection therewith, and for other lawful purposes related thereto.

Section 6. Delegation by Airport Director. The Airport Director is authorized to delegate the authority granted to him pursuant to this Resolution in writing to a member of Airport management upon consultation with the Office of the City Attorney.

Section 7. Request for Board Approval. The Commission hereby authorizes and directs the Airport Director to request that the Board of Supervisors (the "Board"):

- (a) approve this Nineteenth Supplemental Resolution, including the issuance by the Commission of up to an additional \$2,775,000,000 aggregate principal amount of Capital Plan Bonds;
- (b) approve the issuance by the Commission of up to an additional \$1,583,694,227 aggregate principal amount of Capital Plan Bonds previously authorized by the Commission pursuant to the Seventeenth Supplemental Resolution but not yet approved by the Board; and
- (c) request a supplemental appropriation in the amount necessary for the Airport to spend the proceeds of all such additional Capital Plan Bonds.

Section 8. Ratification of Prior Acts. The actions of the officers, agents and employees of the Commission to carry out the Commission's intents and purposes taken prior to the adoption of this Resolution are ratified, approved and confirmed.

Section 9. 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 Office of 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 and the transactions contemplated hereby.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0274

Section 10. Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof.

Section 11. Ratification of the Prior Resolutions. The 1991 Resolution and the Omnibus Approving Resolution are hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented, including as amended and supplemented by this Resolution.

Section 12. Severability. Should the application of any provision of this Resolution to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Resolution shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the purposes and intents of this Resolution.



AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO: 16-0274

ADOPTED by the Airport Commission of the City and County of San Francisco this 1<sup>st</sup> day of November, 2016 by the following vote:

Ayes: 5

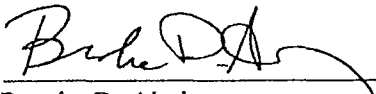
Noes: 0

Absent: 0

[SEAL]

Approved as to Form:

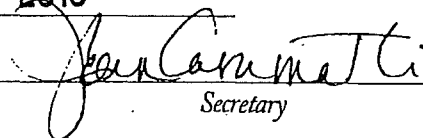
DENNIS J. HERRERA  
City Attorney of the City and  
County of San Francisco

By   
Brooke D. Abola  
Deputy City Attorney

Page 5 of 5

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of NOV 01 2016

387

  
Secretary



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0182

**APPROVAL OF EIGHTEENTH SUPPLEMENTAL RESOLUTION DESIGNATING A PROPOSED ON-AIRPORT HOTEL AS A "SPECIAL FACILITY" AND AUTHORIZING UP TO \$243 MILLION PRINCIPAL AMOUNT OF AIRPORT CAPITAL PLAN BONDS AND \$225 MILLION PRINCIPAL AMOUNT OF HOTEL SPECIAL FACILITY BONDS TO FINANCE OR REFINANCE THE ON-AIRPORT HOTEL; APPROVING THE FORM OF TRUST AGREEMENT; AND RELATED MATTERS**

WHEREAS, the Airport Commission (the "Commission") of the City and County of San Francisco (the "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 previously supplemented and amended, including as amended and supplemented by Resolution No. 03-0220 adopted on October 21, 2003 (the "Eleventh Supplemental Resolution"), Resolution No. 08-0035, adopted on February 19, 2008 (the "Thirteenth Supplemental Resolution"), Resolution No. 10-0316, adopted on October 26, 2010 (the "Fifteenth Supplemental Resolution," which amended and restated the Eleventh Supplemental Resolution), Resolution No. 12-0050, adopted on March 20, 2012 (the "Sixteenth Supplemental Resolution"), and Resolution No. 14-0024, adopted on February 18, 2014 (the "Seventeenth Supplemental Resolution") is herein called the "1991 Resolution;" and

WHEREAS, the 1991 Resolution provides for the issuance by the Commission from time to time of revenue bonds (the "1991 Resolution Bonds"); and

WHEREAS, as part of implementation of the Airport Master Plan approved by the Commission in 1992, the Commission is undertaking the development of an on-Airport hotel with approximately 350 rooms (the "Hotel") on a portion of Plot 2 at the former Hilton Hotel site, along with a new AirTrain station to connect the Hotel with the AirTrain system (the "AirTrain Station" and collectively with the Hotel, the "Hotel Project"); and

WHEREAS, the Commission, pursuant to the 1991 Resolution and the Thirteenth, Sixteenth and Seventeenth Supplemental Resolutions, has previously authorized the issuance of up to \$4,773,725,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing and refinancing the construction, acquisition, equipping and development of capital projects (not including the Hotel Project) undertaken by the Airport which are approved by the Commission (the "Capital Plan Bonds"); and

WHEREAS, the Commission has determined that it is necessary and desirable and in the best interests of the San Francisco International Airport (the "Airport") to: (a) authorize the issuance of an additional not to exceed \$243 million principal amount of Capital Plan Bonds (the "Airport Capital Plan Bonds"); (b) designate the proposed Hotel as a

AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 15-0182

“Special Facility,” as defined in the 1991 Resolution, and (c) authorize the issuance of special facility bonds in accordance with the terms of the 1991 Resolution in the principal amount of up to \$225 million (the “Hotel Special Facility Bonds”) to finance and refinance costs associated with the Hotel to be owned by the Commission; and

WHEREAS, to maintain the special facility status of the Hotel and finance it at the lowest available interest rates, the Commission anticipates combining the desirable features of the Airport Capital Plan Bonds (which are secured and payable from Airport net revenues and can therefore be sold to investors at the lowest available interest rates) and the Hotel Special Facility Bonds by selling the Airport Capital Plan Bonds to investors and purchasing the Hotel Special Facility Bonds with the proceeds of the Airport Capital Plan Bonds; and

WHEREAS, the Airport Capital Plan Bonds and the Hotel Special Facility Bonds will be issued in accordance with the 1991 Resolution, applicable provisions of the Charter of the City, ordinances and resolutions of the Board of Supervisors, and the statutes of the State of California, and in with respect to the Hotel Special Facility Bonds, a Trust Agreement in substantially the form on file with the Secretary of the Commission; and

WHEREAS, the Airport Master Plan was the subject of a Program Environmental Impact Report (“EIR”) certified by the San Francisco Planning Commission on May 28, 1992, by Motion No. 13356; and

WHEREAS, the Environmental Planning Division of the San Francisco Planning Department reviewed the Hotel Project and issued an addendum to the EIR (“Addendum”) on February 5, 2014, determining that the Hotel Project is within the scope of the EIR and no additional environmental review is required under the California Environmental Quality Act (Public Resources Code Section 21000 et seq., “CEQA”); and

WHEREAS, on May 19, 2014, the Commission, by Resolution No. 14-0095, adopted findings under CEQA related to the Hotel Project, determined to proceed with the Hotel Project, and authorized the Airport Director to proceed with implementation of the Hotel Project; and

WHEREAS, the project files, including the EIR, Addendum and Commission Resolution No. 14-0095, have been made available for review by the Commission and the public, and those files are part of the record before the Commission; 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, additional Series of Bonds under the 1991 Resolution; now, therefore, be it,

AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 15-0182

RESOLVED, that this Commission has reviewed and considered the information in the EIR and Addendum, and hereby incorporates the CEQA findings contained in Resolution No. 14-0095, including findings of the Statement of Overriding Considerations, by this reference as though fully set forth in this Resolution; and be it further

RESOLVED, that this Commission finds that since the EIR and Addendum were finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the EIR and Addendum; and be it further

RESOLVED, as follows:

Section 1. Commission Findings. The Commission hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Defined Terms. Capitalized terms used but not otherwise defined in this Resolution shall have the meanings set forth in the 1991 Resolution.

Section 3. Special Facility Designation. In accordance with Section 2.16 of the 1991 Resolution, the Commission hereby designates the planned Hotel as a "Special Facility," as defined in the 1991 Resolution. Specifically, the Hotel Special Facility shall include the following: Plot 2 (as reconfigured following the realignment of South McDonnell Road), the Hotel structure, the connector between the Hotel and the AirTrain station serving the Hotel, and the other improvements to Plot 2.

The Hotel Special Facility shall exclude the following: the AirTrain station serving the Hotel, and all AirTrain guiderails, support structures and facilities.

Section 4. Designation of Special Facility Revenues. In accordance with Section 2.16 of the 1991 Resolution, the Commission hereby determines that revenues from the Hotel shall constitute "Special Facility Revenues," as defined in the 1991 Resolution (the "Hotel Revenues") and shall not be included as "Revenues" under the 1991 Resolution. Specifically, the Hotel Revenues shall include the following: all revenues generated by the Hotel (including revenues from rooms, meeting facilities, food and beverage, retail, parking on Plot 2, and spa).

Section 5. Airport Capital Plan Bonds.

(a) Increased Authorization of Capital Plan Bonds. In accordance with Section 9.01(f) of the 1991 Resolution, in order to authorize the issuance of an additional aggregate principal amount of not to exceed \$243 million of Capital Plan Bonds (also referred to in this Resolution as the "Airport Capital Plan Bonds") for the purposes of

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0182

financing and refinancing the construction, acquisition, equipping and development of the Hotel Project, funding debt service reserves, and paying costs of issuance, in connection therewith, including through the purchase of the Hotel Special Facility Bonds, the 1991 Resolution (as previously amended and supplemented, including by the Thirteenth, Sixteenth and Seventeenth Supplemental Resolutions) is hereby further amended and supplemented as follows:

Each of the references in the 1991 Resolution, including the caption and whereas clauses and in Sections 34-82.01 and 34-83.01(a) thereof, to "Four Billion Seven Hundred Seventy-Three Million Seven Hundred Twenty-Five Thousand Dollars" and "\$4,773,725,000," of Capital Plan Bonds is hereby amended to read "Five Billion Sixteen Million Seven Hundred Twenty-Five Thousand Dollars" and "\$5,016,725,000," respectively.

(b) Parameters of the Capital Plan Bonds. The Capital Plan Bonds shall be subject to the maximum maturity and interest rate limitations set forth in Resolution No. 50-11 of the Board of Supervisors. The Capital Plan Bonds shall be sold prior to June 30, 2020, and may be issued as Variable Rate Bonds.

Section 6. Hotel Special Facility Bonds.

(a) Authorization. The Commission hereby authorizes the issuance of \$225 million in aggregate principal amount of Hotel Special Facility Bonds to finance and refinance the Hotel Project and costs in connection therewith. The Hotel Special Facility Bonds shall be secured solely by, and payable solely from, the Hotel Revenues.

(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 Hotel Special Facility 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 Office of the City Attorney, the Airport's financial advisors and bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Delegation by Airport Director. The Airport Director is authorized to delegate the authority granted to him pursuant to this Resolution in writing to a member of Airport management upon consultation with the Office of the City Attorney.

Section 8. Approval of Board of Supervisors. The Commission Secretary, 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

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0182

of Supervisors of the City in order to carry out the intents and purposes of this Resolution, including approval of the Airport Capital Plan Bonds, the Hotel Special Facility Bonds, the form of Trust Agreement approved by this Resolution, and any necessary appropriations.

Section 9. 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 10. 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 Office of 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, and the other transactions contemplated hereby and thereby.

Section 11. Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0182

ADOPTED by the Airport Commission of the City and County of San Francisco this 22<sup>nd</sup> day of September, 2015, by the following vote:

Ayes: 5

Noes: 0

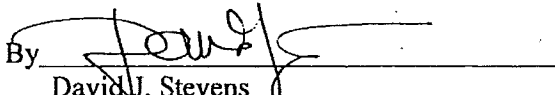
Absent: 0

[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

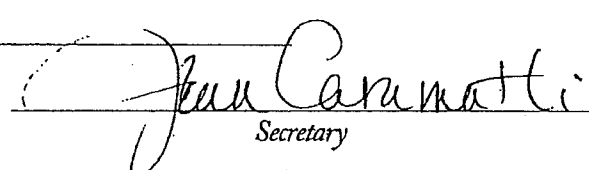
By

  
David J. Stevens  
Deputy City Attorney

Page 6 of 6

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of SEP 22 2015

394

  
Secretary



AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO: 14 0024

SEVENTEENTH SUPPLEMENTAL RESOLUTION AMENDING RESOLUTION NO. 91-0210,  
AS PREVIOUSLY AMENDED AND SUPPLEMENTED, TO AUTHORIZE AN ADDITIONAL  
\$3,553,525,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO  
INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS FOR CAPITAL PLAN  
PURPOSES, AND RELATED ACTIONS

WHEREAS, The Airport Commission of the City and County of San Francisco (the "Commission"), 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 previously supplemented and amended, including as amended and supplemented by Resolution No. 03-0220 adopted on October 21, 2003 (the "Eleventh Supplemental Resolution"), Resolution No. 08-0035 adopted on February 19, 2008 (the "Thirteenth Supplemental Resolution"), and Resolution No. 10-0316 adopted on October 26, 2010 (the "Fifteenth Supplemental Resolution," which amended and restated the Eleventh Supplemental Resolution), and Resolution No. 12-0050 (the "Sixteenth Supplemental Resolution") is herein called the "1991 Resolution"; and

WHEREAS, The 1991 Resolution provides for the issuance by the Commission from time to time of revenue bonds (the "1991 Resolution Bonds"); and

WHEREAS, The Commission, pursuant to the 1991 Resolution and the Thirteenth and Sixteenth Supplemental Resolutions, has previously authorized the issuance of up to \$1,220,200,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing and refinancing the construction, acquisition, equipping and development of capital projects undertaken by the Airport which are approved by the Commission (the "Capital Plan Bonds"), of which an aggregate principal amount of \$1,075,000,000 has been issued to date and an aggregate principal amount of \$144,780,000 remains unissued; and

WHEREAS, The Commission has determined that it is necessary and desirable to authorize the issuance of up to an additional \$3,553,525,000 aggregate principal amount of Capital Plan Bonds as a funding mechanism for the purpose of financing projects contained in the Airport's capital plan other than the proposed on-Airport hotel and associated AirTrain station; and

WHEREAS, The City's Board of Supervisors (the "Board") by its Resolutions Nos. 229-08 and 349-12 approved the issuance of a total aggregate principal amount of not to exceed \$1,220,200,000, of which \$144,780,000 remains unissued, and the Commission desires now to authorize the Airport Director to request the Board to approve an

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14 0024

additional \$3,553,525,000 aggregate principal amount of Capital Plan Bonds and an appropriation to spend the proceeds thereof; and

WHEREAS, The Commission has previously approved the form of documents for the 1991 Resolution Bonds, including the Capital Plan Bonds, in Resolutions Nos. 10-0307, 13-0073, 13-0135 and 13-0251, among others, adopted by the Commission on October 5, 2010, April 2, 2013, June 11, 2013 and December 3, 2013, respectively, and the Commission desires now to confirm such approvals and seek Board approval of the same; and

WHEREAS, The approvals in this Resolution are intended to establish a financing mechanism for the Capital Plan and do not constitute approval of any particular project, which are approved by separate action of the Commission and/or Board of Supervisors; 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, additional Series of Bonds under the 1991 Resolution; now therefore be it

RESOLVED, That this Commission authorizes 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.

Section 2. Increased Authorization. In accordance with Section 9.01(f) of the 1991 Resolution, in order to authorize the issuance of an additional aggregate principal amount of not to exceed \$3,553,525,000 of Capital Plan Bonds for the purposes of financing and refinancing the construction, acquisition, equipping and development of capital projects undertaken by the Airport which are approved by the Commission, funding debt service reserves, and paying costs of issuance, in connection therewith, the 1991 Resolution (as previously amended and supplemented, including by the Thirteenth and Sixteenth Supplemental Resolutions) is hereby further amended and supplemented as follows:

(a) Each of the references in the 1991 Resolution, including the caption and whereas clauses and in Sections 34-82.01 and 34-83.01(a) thereof, to "One Billion Two Hundred Twenty Million Two Hundred Thousand Dollars" and "\$1,220,200,000," of Capital Plan Bonds is hereby amended to read "Four Billion Seven Hundred Seventy-Three Million Seven Hundred Twenty-Five Thousand Dollars" and "\$4,773,725,000," respectively; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14 0024

(b) Each of the references in the 1991 Resolution, including in Section 34-83.01(e) to "June 30, 2019" as the final sale date of Capital Plan Bonds is hereby amended to read "June 30, 2021."

Section 3. Delegation by Airport Director. The Airport Director is authorized to delegate the authority granted to him pursuant to this Resolution in writing to a member of Airport management upon consultation with the Office of the City Attorney.

Section 4. Request for Board Approval. The Commission hereby authorizes and directs the Airport Director to request that the Board of Supervisors approve the issuance by the Commission of up to an additional \$3,553,525,000 aggregate principal amount of Capital Plan Bonds, and an appropriation to spend the proceeds thereof.

Section 5. Request for Related Approvals. The Commission hereby authorizes and directs the Airport Director to request that the Board of Supervisors approve the execution of such related credit facility and other agreements, including bond insurance commitments, reserve fund surety policy commitments and agreements, letter of credit agreements, fee agreements, line of credit agreements, forward purchase and sale agreements, remarketing agreements and/or investment agreements, the execution of which has previously been approved by the Commission (which previous approvals are hereby confirmed), as the Airport Director shall determine is necessary or desirable in connection with the issuance of such Capital Plan Bonds.

Section 6. 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 7. 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 Office of 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, and the other transactions contemplated hereby and thereby.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14 0024

The Commission shall not authorize the sale of Capital Plan Bonds from which proceeds would be used to fund construction of a specific project in the Capital Plan unless and until the necessary environmental review for the project has been completed, if required, and the Commission determines to proceed.

Section 8. Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof.

Section 9. Ratification of the 1991 Resolution. The 1991 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented, including as amended and supplemented by this Resolution.

Section 10. Severability. Should the application of any provision of this Resolution to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Resolution shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of this Resolution.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14 0024

ADOPTED by the Airport Commission of the City and County of San Francisco this 18<sup>th</sup> day of FEB., 2014 by the following vote:

5 Ayes:

0 Noes:

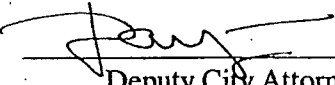
0 Absent:

[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney of the City and  
County of San Francisco

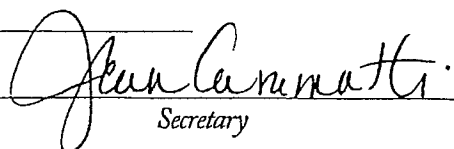
By

  
\_\_\_\_\_  
Deputy City Attorney

Page 5 of 5

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of FEB 18 2014

399

  
\_\_\_\_\_  
Secretary



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 12-0050

Sixteenth Supplemental Resolution  
Amending Resolution No. 08-0035  
To Authorize an Additional \$502,200,000  
Aggregate Principal Amount of  
San Francisco International Airport  
Second Series Revenue Bonds for Capital Plan Purposes

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), 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 previously supplemented and amended, including as amended and supplemented by Resolution No. 03-0220 adopted on October 21, 2003 (the "Eleventh Supplemental Resolution"), Resolution No. 08-0035 adopted on February 19, 2008 (the "Thirteenth Supplemental Resolution"), and Resolution No. 10-0316 adopted on October 26, 2010 (the "Fifteenth Supplemental Resolution," which amended and restated the Eleventh Supplemental Resolution), is herein called the "1991 Resolution"; and

WHEREAS, the 1991 Resolution provides for the issuance by the Commission from time to time of revenue bonds (the "1991 Resolution Bonds"); and

WHEREAS, the Commission, pursuant to the 1991 Resolution and the Thirteenth Supplemental Resolution, has previously authorized the issuance of up to \$718,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing and refinancing the construction, acquisition, equipping and development of capital projects undertaken by the Airport which are approved by the Commission (the "Capital Plan Bonds"), of which an aggregate principal amount of \$614,260,000 has been issued to date and an aggregate principal amount of \$103,740,000 remains unissued; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance of up to an additional \$502,200,000 aggregate principal amount of Capital Plan Bonds for the purpose of financing approved projects contained within the Airport's capital plan; and

WHEREAS, the City's Board of Supervisors (the "Board") by its Resolution No. 229-08 approved the issuance of a total aggregate principal amount of not to exceed \$718,000,000 of Capital Plan Bonds, of which \$103,740,000 remains unissued, and the Commission desires now to authorize the Airport Director to request the Board to approve an additional \$502,200,000 aggregate principal amount of Capital Plan Bonds; 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, additional Series of Bonds under the 1991 Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 12-0050

**Section 1. Increased Authorization.** In accordance with Section 9.01(f) of the 1991 Resolution, in order to authorize the issuance of an additional aggregate principal amount of not to exceed \$502,200,000 of Capital Plan Bonds for the purposes of financing and refinancing the construction, acquisition, equipping and development of capital projects undertaken by the Airport which are approved by the Commission, funding debt service reserves, and paying costs of issuance, in connection therewith, the 1991 Resolution (as previously amended and supplemented, including by the Thirteenth Supplemental Resolution) is hereby further amended and supplemented as follows:

(a) Each of the references in the 1991 Resolution, including the caption and whereas clauses and in Sections 34-82.01 and 34-83.01(a) thereof, to “Seven Hundred Eighteen Million Dollars” or “718,000,000” of Capital Plan Bonds is hereby amended to read “One Billion Two Hundred Twenty Million Two Hundred Thousand Dollars” and “1,220,200,000,” respectively;

(b) The last sentence of Section 34-83.01(b) is amended to read as follows: “Notwithstanding the foregoing provisions of this paragraph, no Capital Plan Bonds shall mature later than forty (40) years from the date of issuance thereof;”

(c) Each of the references in the 1991 Resolution, including in Section 34-83.01(e) to “June 30, 2015” as the final sale date of Capital Plan Bonds is hereby amended to read “June 30, 2019;”

(d) Each of the references in the 1991 Resolution, including in Section 34-82.04 to “nine (9)” as the maximum number of issues of Capital Plan Bonds is hereby amended to read “a number equal to the authorized principal amount thereof divided by \$25 million;”

(e) Notwithstanding Section 34-83.01(a), the Capital Plan Bonds may also be captioned “San Francisco International Airport Second Series Revenue Bonds, Series \_\_\_” (with such alpha-numerical Series designation as the Airport Director shall determine); and

(f) Section 34-83.01(b) is further amended by inserting the words “or Index Rate Bonds” after the words “Variable Rate Bonds.”

**Section 2. Request for Board Approval.** The Commission hereby authorizes and directs the Airport Director to request that the Board of Supervisors approve the issuance by the Commission of up to an additional \$502,200,000 aggregate principal amount of Capital Plan Bonds.

**Section 3. Request for Related Approvals.** The Commission hereby authorizes and directs the Airport Director to request that the Board of Supervisors approve the execution of such related credit facility and other agreements, including bond insurance commitments, reserve fund surety policy commitments and agreements, letter of credit agreements, line of credit agreements, remarketing agreements and/or investment agreements, the execution of which has previously been approved by the Commission, as the Airport Director shall determine is necessary or desirable in connection with the issuance of such Capital Plan Bonds.

**Section 4. Ratification of the 1991 Resolution.** The 1991 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented, including as amended and supplemented by this Resolution.



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 12-0050

ADOPTED by the Airport Commission of the City and County of San Francisco this 20<sup>th</sup> day of March, 2012 by the following vote:

Ayes: 3

Noes: 0

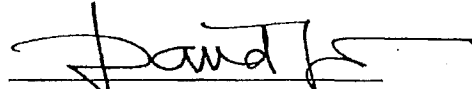
Absent: 2

[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney of the City and  
County of San Francisco

By

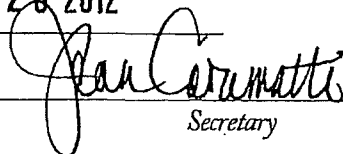
  
Deputy City Attorney

Page 3 of 3

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* \_\_\_\_\_

MAR 20 2012

  
Secretary



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 10-0307

BOND RESOLUTION CONFIRMING AND EXTENDING PRIOR COMMISSION RESOLUTIONS REGARDING THE AIRPORT'S BONDS AND SUBORDINATE BONDS, AUTHORIZING BOND TO FINANCE OR REFINANCE THE AIRPORT FUEL SYSTEM LEASED TO SFO FUEL COMPANY LLC, AND AUTHORIZING CERTAIN OTHER DEBT-RELATED MATTERS.

- WHEREAS, the Airport Commission (the "Commission") of the City and County of San Francisco (the "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, 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;
- 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 in an aggregate principal amount of not to exceed \$400,000,000 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

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

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 authorized the issuance of certain special facilities revenue bonds for the benefit of SFO FUEL Company LLC (the "Special Facilities Bonds"), and now desires to authorize the issuance of additional such Special Facilities Bonds to refund the outstanding bonds and for other lawful purposes; 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 and the Special Facilities Bonds are collectively referred to herein as the "Bonds."

Section 2. Capital Plan Bonds. The Commission, by Resolution No. 08-0035, adopted on February 19, 2008, and Resolution No. 09-0137 adopted on June 2, 2009, respectively (collectively, as supplemented and amended, the "Capital Plan Bond Resolutions"), authorized the issuance of up to \$718,000,000 aggregate principal amount of Capital Plan Bonds for the purposes set forth therein. The Commission has previously issued \$614,260,000 of such Capital Plan Bonds, and \$103,740,000 remains authorized but unissued. The Commission 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.

Section 3. 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. 05-183, adopted on October 11, 2005 (as amended by its Resolution No. 07-0043, adopted on February 20, 2007), Resolution No. 08-0152, adopted on August 19, 2008 (the "Fourteenth Supplemental Resolution,"), and Resolution No. 08-0185, adopted on October 7, 2008 (each as supplemented and amended collectively, the "Refunding Bond Resolutions"), authorized the issuance of Refunding Bonds in various principal amounts, of which \$997,345,000 remains authorized but unissued. The Commission ratifies, approves and confirms the Refunding Bond Resolutions and such remaining authorization, and such resolutions shall remain in full force and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

effect except as modified by this Resolution. The Commission increases such unissued authorization by \$1.6 billion to \$2,597,345,000.

Section 4. Tender Refunding Bonds. The Commission, by Resolution No. 09-0087, adopted on May 5, 2009 (the "Tender Bonds Resolution"), authorized the issuance of up to \$600,000,000 aggregate principal amount of Tender Refunding Bonds pursuant to the Refunding Bonds Resolutions, of which \$467,085,000 remains authorized but unissued. The Commission ratifies, approves and confirms the Tender Bonds Resolution and such remaining authorization, and such resolutions shall remain in full force and effect except as modified by this Resolution. Refunding Bonds authorized to be issued under any other Resolution may be issued under and pursuant to the Tender Bonds Resolution.

Section 5. Variable Rate Bonds.

(a) AMT Conversions. The Commission, by Resolution No. 09-0059, adopted on March 31, 2009 (as supplemented and amended, the "Variable Rate Refinancing Resolution"), authorized the issuance of up to \$550,000,000 aggregate principal amount of Variable Rate Bonds for the purpose of converting the interest on outstanding Variable Rate Bonds from rates which are subject to the alternative minimum tax to rates which are not, of which \$20,150,000 remains authorized but unissued. The Commission ratifies, approves and confirms the Variable Rate Refinancing Resolution and such remaining authorization, and such resolutions 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 Variable Rate Refinancing Resolution.

(b) 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 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 financial 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.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

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 6. Bond Anticipation Notes. The Commission, by Resolution No. 9-0138, 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, of which \$400,000,000 remains authorized but unissued. The Commission ratifies, approves and confirms the BANs Resolution and such remaining authorization, 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.

Section 7. 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, the Tender Refunding Bonds, Variable Rate Bonds, BANs and the Infrastructure Bonds, may be issued as either fixed rate or variable rate bonds pursuant to the Infrastructure Bonds Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution or the Eleventh Supplemental 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; (ii) the final maturity of any 1991 Resolution Bond shall not be later than forty (40) years from the date of issuance thereof; and (iii) the maturity schedule for each Series thereof shall not result in an increase in aggregate Annual Debt Service of more than the greater of ten percent (10%) or \$35,000,000 in any Fiscal Year unless the Airport Director determines, upon consultation with the Commission's financial advisors, that it is necessary or desirable and in the best interests of the Airport to do so. Unless otherwise determined by the Airport Director, any Series and sub-Series of 1991 Resolution Bonds sold and/or issued and delivered on the same date shall constitute part of the same "issue" for purposes of the Charter.

Section 8. Subordinate Bonds – Commercial Paper Notes. The Commission, by Resolution No. 09-0088, adopted on May 5, 2009, under and pursuant to Resolution No. 97-0146, adopted on May 20, 1997, as supplemented and amended, including

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

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, and Resolution No. 09-0088, adopted by the Commission on May 5, 2009, (collectively, the "Commercial Paper Resolutions") authorized the issuance and reissuance from time to time of up to \$400,000,000 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.

Section 9. Credit and Liquidity Facilities. The Commission, by Resolution No. 09-0089, adopted on May 5, 2009 (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 other financial institutions, including private or governmental entities, whose ratings shall be in the three highest ratings categories (without regard to subcategories) of at least two Ratings Agencies ("Banks") 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 financial advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Agreements.

(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 ("LOCs") to pay and/or secure the payment of the principal and/or purchase price of an 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 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

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

the Airport Director, upon consultation with the City Attorney, the Airport's financial advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Agreements.

(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 financial 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 financial advisors and bond counsel, such approval to be evidenced conclusively by the execution and delivery of such Agreements.

Section 10. 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 financial 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 the meaning of and to the extent required by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12").



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

Section 11. 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 financial 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 12. 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, 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, respectively, 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], respectively, under the Swap Resolutions, leaving remaining authorizations of \$5,200,000 and \$19,540,000, respectively. The Commission

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

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.

(b) 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.

(c) 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 13. Forward Purchase and Sale Agreements. The Airport Director, for and on behalf of and in the name of the Commission, is authorized to invest and to direct the Trustee to invest amounts on deposit in any debt service reserve account, debt service account or construction account with respect to any 1991 Resolution Bonds, Subordinate Bonds or Special Facilities Bonds from time to time in Permitted Investments, including without limitation pursuant to one or more Forward Purchase and Sale Agreements, substantially in the form presented to and on file with the Secretary of the Commission, with such changes therein as shall be approved by the Airport Director, upon consultation with the City Attorney, the Airport's financial advisors and bond counsel, such approval to be conclusively evidence by the execution and delivery of such Agreements. The party to each such Agreement with the Commission shall be a bank or financial institution rated in the three highest rating categories (without regard to subcategories) by at least two Rating Agencies.

Section 14. 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 the rights and remedies of the Commission, upon

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

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

Section 15. 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 16. 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 financial advisors and bond counsel, such approval to be conclusively evidence by the Airport Director's execution and delivery thereof.

Section 17. 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 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

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

official determination from the Internal Revenue Service in the Department of the Treasury of the United States, in order to secure or assure the tax-exempt status of interest on any Bonds.

Section 18. Special Facilities Bonds.

(a) Authorization. The Commission, by Resolution No. 97-0145, adopted on May 20, 1997 and Resolution No. 00-0175, adopted on May 16, 2000, as supplemented and amended (collectively, the "SFO FUEL Bond Resolutions") authorized the issuance of \$125 million in aggregate principal amount of Special Facilities Bonds to finance certain aviation fueling and related facilities at the Airport (the "SFO FUEL Bonds"), all of which have been issued and a portion of which remain outstanding. The Commission authorizes the issuance of up to an additional \$125 million aggregate principal amount of SFO FUEL Bonds for the purposes of refunding the outstanding SFO FUEL Bonds and financing additions to, replacements of and improvements to the fuel storage and distribution system at the Airport and reimbursements therefore.

(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 financial advisors and bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Such changes may include, without limitation, additional covenants and undertakings by the Commission to further secure the payment of such Bonds, including to (1) relet the Demised Premises and the Facilities for the benefit of bondholders, (2) refund the Bonds with general Airport revenue bonds upon the occurrence of an Event of Default, (3) pay all or a portion of debt service on the Bonds upon the failure of SFO FUEL Company to do so, and (4) replenish the debt service reserve account following a draw thereon.

(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 financial 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;

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

- (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; and
- (5) Changes to conform the Fuel System Lease to the City's current contracting policies.

Section 19. Delegation by Airport Director. The Airport Director is authorized to delegate the authority granted to him pursuant to this Resolution and the Ratified Resolutions in writing to a member of Airport management, upon consultation with the City Attorney.

Section 20. 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 21. 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 22. 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 23. Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof except as otherwise set forth herein, including without limitation in Section 17 hereof.

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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0307

ADOPTED by the Airport Commission of the City and County of San Francisco this 5<sup>th</sup> day of Oct., 2010, by the following vote:

Ayes: 5

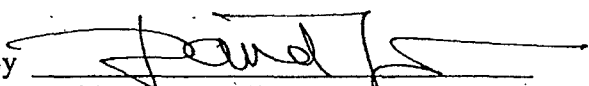
Noes: 0

Absent: 0

[SEAL]

Approved as to Form:


DENNIS J. HERRERA  
City Attorney

By   
David J. Stevens, Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission

OCT 05 2010

at its meeting of \_\_\_\_\_

  
Secretary

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 09-0088**

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

**Resolution No. 09-\_\_\_\_\_**

**Amended and Restated  
First Supplemental Resolution  
Providing for the Issuance of  
Not to Exceed \$400,000,000 Aggregate Principal Amount of**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE COMMERCIAL PAPER NOTES**

**Adopted on May 5, 2009**

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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE XII DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION .....	2
Section 12.01. Definitions .....	2
Section 12.02. Letter of Credit as Credit Facility.....	6
Section 12.03. Fees and Expenses of Banks, Trustee and Issuing and Paying Agent .....	6
Section 12.04. General Authorization .....	6
Section 12.05. Ratification of the 1997 Resolution.....	7
ARTICLE XIII THE COMMERCIAL PAPER NOTES.....	7
Section 13.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes .....	7
Section 13.02. Payment .....	9
Section 13.03. Authentication of Commercial Paper Notes.....	10
Section 13.04. Forms of Commercial Paper Notes and Authentication Certificate .....	10
Section 13.05. Book-Entry System.....	11
Section 13.06. Conditions Precedent to Delivery of Commercial Paper Notes .....	13
Section 13.07. Commercial Paper Notes .....	16
ARTICLE XIV APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS .....	16
Section 14.01. Establishment and Designation of Accounts .....	16
Section 14.02. Deposit of Proceeds of Commercial Paper Notes .....	17
Section 14.03. Application of Moneys in the Construction Account.....	17
Section 14.04. Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account.....	17
Section 14.05. Drawings Under a Letter of Credit.....	18
ARTICLE XV THE BANK NOTES .....	19
Section 15.01. Authorization and Terms of Bank Notes.....	19
Section 15.02. Issuance of Bank Notes .....	20
Section 15.03. Form of Bank Notes and Authentication Certificate.....	20



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Section 15.04.	No Transfers of Bank Notes .....	20
Section 15.05.	Deposits of Net Revenues in Bank Note Account .....	20
ARTICLE XVI	COVENANTS .....	21
Section 16.01.	No Arbitrage .....	21
Section 16.02.	Rebate to United States .....	21
Section 16.03.	Tax Covenant .....	22
Section 16.04.	Taxable Notes .....	22
Section 16.05.	Letter of Credit .....	22
Section 16.06.	Reimbursement Agreement .....	23
ARTICLE XVII	ISSUING AND PAYING AGENT; DEALERS .....	23
Section 17.01.	Appointment of Issuing and Paying Agent .....	23
Section 17.02.	Reports and Records .....	23
Section 17.03.	Resignation and Replacement of Issuing and Paying Agent .....	24
Section 17.04.	Dealers .....	25
ARTICLE XVIII	MISCELLANEOUS .....	25
Section 18.01.	Substitute Letter of Credit .....	25
Section 18.02.	Timeliness of Deposits .....	26
Section 18.03.	Waiver of Events of Default .....	26
Section 18.04.	Defeasance of Commercial Paper Notes .....	26
Section 18.05.	Banks to Control Remedies .....	26
Section 18.06.	Payments or Actions Occurring on Non-Business Days .....	27
Section 18.07.	Notices to Rating Agencies .....	27
Section 18.08.	Effective Date .....	27

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 09-0088**

Resolution No. 09-\_\_\_\_\_

Amended and Restated First Supplemental Resolution Providing for the Issuance of  
Not to Exceed \$400,000,000 Aggregate Principal Amount of  
San Francisco International Airport  
Subordinate Commercial Paper Notes

WHEREAS, the Airport Commission of the City and County of San Francisco (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 previously supplemented and amended, including as supplemented by Resolution No. 97-0147 on May 29, 1997, as amended and restated by Resolution No. 99-0299 on September 21, 1999 and as amended and restated by this Resolution No. 09-\_\_\_\_\_, on May 5, 2009 (herein called the "First Supplemental Resolution"), is herein called the "1997 Resolution"); and

WHEREAS, the 1997 Resolution provides that the Commission may issue Bonds, including commercial paper notes, from time to time as the issuance thereof is authorized by the Commission; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance of one or more additional Series of Bonds in the form of commercial paper notes in an aggregate principal amount of not to exceed Four Hundred Million Dollars (\$400,000,000) for the purposes of (i) financing and refinancing the construction, acquisition, equipping and development of capital improvements at the Airport, including, but not limited to, preliminary engineering and planning costs, costs of design studies, costs of obtaining any applicable licenses or permits and other similar preliminary costs (the "Projects"); and (ii) funding other lawful expenditures of the Airport; and

WHEREAS, this First Supplemental Resolution, as originally adopted by the Commission, provided for the issuance of the Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A (herein called the "Series A Notes") and the Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B (herein called the "Series B Notes"); and

WHEREAS, this First Supplemental Resolution, as previously amended and supplemented, also provided for the issuance of the Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series C (herein called the "Series C Notes"); and

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 09-0088**

WHEREAS, the Commission has determined that it is necessary and desirable to amend and restate this First Supplemental Resolution to provide for a fourth Series of Commercial Paper Notes to be designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series D" (herein called the "Series D Notes") for the purpose of financing and refinancing the costs of the Projects; and

WHEREAS, interest on the Series D Notes, which Notes will constitute "private activity bonds" within the meaning of Section 141 of the Code, will not be subject to the alternative minimum tax under the Code, as permitted by The American Reinvestment and Recovery Act of 2009; and

WHEREAS, the Commission has also determined that it is necessary and desirable to amend and restate this First Supplemental Resolution to provide for one or more subseries of the Series A Notes, the Series B Notes the Series C Notes and the Series D Notes to accommodate the use of multiple letters of credit, if any;

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

**ARTICLE XII**

**DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION**

Section 12.01. Definitions. Except as otherwise defined in this First Supplemental Resolution, capitalized terms herein shall have the meanings assigned thereto in Section 1.01 of the 1997 Resolution. The following definitions shall apply to terms used in this First Supplemental Resolution, unless the context clearly requires otherwise:

"Administrative Agent" means any Bank acting as administrative agent for two or more Banks which have provided a Letter of Credit, and any successor thereto as administrative agent.

"Advances" means payments made by the Bank or Banks as a result of draws made on a Letter of Credit to pay principal of and interest on the related Commercial Paper Notes.

"Available Moneys" means moneys which are continuously on deposit with the Trustee or the Issuing and Paying Agent in trust for the benefit of the holders of the Commercial Paper Notes in a separate and segregated account in which only Available Moneys are held, which moneys constitute proceeds of (i) the Commercial Paper Notes received contemporaneously with the initial issuance and sale of the Commercial Paper Notes, (ii) a drawing under a Letter of Credit or payments otherwise made under a substitute Letter of Credit, (iii) refunding obligations

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

for which the Trustee has received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee and the Rating Agencies to the effect that payment of such moneys to the holders of the Commercial Paper Notes would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code if the Commission were to become a debtor under the United States Bankruptcy Code or (iv) the investment of funds qualifying as Available Moneys under the foregoing clauses.

“Bank” means each entity that is the issuer of a Letter of Credit then outstanding and effective hereunder. “Banks” means collectively, all of the Banks.

“Bank Note” means a note or notes issued by the Commission pursuant to Section 15.01 hereof and evidencing all or any portion of any unreimbursed Advances made by a Bank or Banks pursuant to a Letter of Credit and designated as “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes, (insert name of Bank) Series.”

“Bank Note Payment Date” means a date on which principal of or interest on a Bank Note is due and payable, including both scheduled principal and interest and principal and interest payable upon prepayment of a Bank Note.

“Bank Rate” shall have the meaning assigned to that term in the Reimbursement Agreement.

“Business Day” means any day other than (i) a Saturday, Sunday or other day on which commercial banks in New York, New York, San Francisco, California or the city in which is located the office of the Bank at which demands for a draw on the related Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

“Commercial Paper Notes” or “Notes” means all Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes authorized to be issued from time to time under the 1997 Resolution and this First Supplemental Resolution, including Commercial Paper Notes issued as Series A Notes, Commercial Paper Notes issued as Series B Notes, Commercial Paper Notes issued as Series C Notes and Commercial Paper Notes issued as Series D Notes, including any subseries of such Notes.

“Dealer” means each dealer for the Commercial Paper Notes which is appointed by the Commission and has entered into a Dealer Agreement.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

“Dealer Agreement” means each Dealer Agreement, by and between the Commission and a Dealer, and any and all modifications, alterations, amendments and supplements thereto with respect to the Commercial Paper Notes.

“Designated Representative” means the Airport Director, the Deputy Director for Business and Finance and those additional individuals designated pursuant hereto to complete and deliver Issuance Requests and who have been identified and whose signatures have been certified in a certificate of an Authorized Commission Representative delivered to the Issuing and Paying Agent.

“Expiration Date” means the respective date of expiration of each Letter of Credit then in effect.

“Interest Advances” means Advances drawn and used to pay interest on Commercial Paper Notes.

“Issuance Request” means a request made by the Commission, acting through a Designated Representative, to an Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes.

“Issuing and Paying Agent” means each entity which is appointed by the Commission and has entered into an Issuing and Paying Agent Agreement. “Principal Office” of an Issuing and Paying Agent means the respective office thereof designated in writing to the Commission and the Trustee.

“Issuing and Paying Agent Agreement” means each Issuing and Paying Agent Agreement entered into by and between the Commission and an Issuing and Paying Agent, and any and all modifications, alterations, amendments, and supplements thereto with respect to the Commercial Paper Notes.

“Letter of Credit” means a direct pay Irrevocable Letter of Credit issued by a Bank or Banks to the Issuing and Paying Agent on or prior to the date of issuance of the related Commercial Paper Notes and any substitute letter of credit accepted by the Issuing and Paying Agent as provided in Section 18.01 hereof.

“Maximum Rate” means twelve percent (12%) per annum or such higher interest rate as may be permitted by applicable law.

“No-Issuance Notice” shall have the meaning assigned thereto in each Reimbursement Agreement.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 09-0088**

“Note Depository” means the securities depository for a Series of Commercial Paper Notes appointed as such pursuant to Section 13.05, and its successors and assigns.

“Note Proceeds” means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

“Principal Advances” means Advances drawn and used to pay principal on Commercial Paper Notes.

“Reimbursement Agreement” means a Letter of Credit and Reimbursement Agreement, entered into between the Commission and one or more Banks, and any and all modifications, alterations, amendments and supplements thereto and any similar document entered into with respect to a subsequent or additional Letter of Credit.

“Series” means each series or subseries of the Notes, as appropriate.

“Series A Notes” means the “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A,” and/or any subseries thereof, as appropriate.

“Series A Project” means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed or refinanced in whole or in part with the proceeds of the Series A Notes, as from time to time amended, as provided in Section 14.03(a) hereof, and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series A Notes.

“Series B Notes” means the “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B,” and/or any subseries thereof, as appropriate.

“Series B Project” means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed or refinanced in whole or in part with the proceeds of the Series B Notes, as from time to time amended, as provided in Section 14.03(a) hereof and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds on the sale of Series B Notes.

“Series C Notes” means the “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series C,” and/or any subseries thereof, as appropriate.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

“Series C Project” means any undertaking, facility or item which is listed or otherwise described in a certificate signed by an Authorized Commission Representative as being financed or refinanced in whole or in part with the proceeds of the Series C Notes, as from time to time amended, as provided in Section 14.03(a) hereof and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds on the sale of Series C Notes.

“Series D Notes” means the “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series D,” and/or any subseries thereof, as appropriate.

“Series D Project” means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed or refinanced in whole or in part with the proceeds of the Series D Notes, as from time to time amended, as provided in Section 14.03(a) hereof, and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series D Notes.

“Specified Event of Default” means an Event of Default described in subsection (a), (b), (c), (f) or (g) of Section 7.01 of the 1997 Resolution, which Event of Default has not been cured.

“Stated Amount” means the Stated Amount as defined in each Letter of Credit then in effect.

“Termination Date” means the sixteenth day prior to the Expiration Date under the related Letter of Credit.

Section 12.02. Letter of Credit as Credit Facility. The Commission hereby designates each Letter of Credit as a “Credit Facility” and each Reimbursement Agreement as a “Credit Facility Agreement” and the Banks as “Credit Providers” for the purposes of the 1997 Resolution.

Section 12.03. Fees and Expenses of Banks, Trustee and Issuing and Paying Agent. Operation and Maintenance Expenses shall include the fees and expenses of the Banks, the Trustee and the Issuing and Paying Agent, but shall not include payments of principal of, or interest on, Bank Notes.

Section 12.04. General Authorization. The appropriate officers, agents and employees of the Commission are each hereby authorized and directed for and in the name and on behalf of the Commission to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, deem necessary or appropriate to consummate the lawful issuance, sale and delivery of one or more

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Series of Commercial Paper Notes in accordance with the provisions hereof and of the 1997 Resolution.

Section 12.05. Ratification of the 1997 Resolution. This First Supplemental Resolution and all the terms and provisions herein contained shall form part of the 1997 Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the 1997 Resolution. The 1997 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented to the date hereof, including as amended and supplemented by this First Supplemental Resolution.

ARTICLE XIII

THE COMMERCIAL PAPER NOTES

Section 13.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.

(a) No Commercial Paper Notes may be issued under the provisions of this First Supplemental Resolution except in accordance with this Article.

(b) The Commission hereby authorizes the issuance of its "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A," "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B," "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series C" and "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series D" subject to the provisions of this Section 13.01 and as hereinafter provided. The Series A Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series A Projects, the Series B Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series B Projects, the Series C Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series C Projects and the Series D Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series D Projects or to refinance the cost of Series A Projects. The Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes may be issued in one or more subseries as shall be determined to be necessary or desirable by the Airport Director.

(c) Proceeds of Commercial Paper Notes issued to refinance other Commercial Paper Notes may be used to pay or reimburse the Banks for Advances used to pay principal or interest due on such maturing Commercial Paper Notes; *provided, however*, that unless the Issuing and



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Paying Agent receives an Opinion of Bond Counsel to the contrary, the proceeds of Series A Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series A Notes, proceeds of Series B Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series B Notes, proceeds of Series C Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series C Notes and proceeds of Series D Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series D Notes or the Series A Notes. Upon receipt of an Opinion of Bond Counsel, Notes may also be issued to refund other bonds or debt obligations of the Commission. Such authorization specifically includes the authorization to issue and reissue Commercial Paper Notes for such purposes.

(d) The aggregate principal amount of Commercial Paper Notes that may be Outstanding at any one time hereunder shall not at any time exceed \$400,000,000. The aggregate principal amount of each Series of Notes that may be Outstanding at any one time hereunder shall not exceed the the Principal Component (as defined in the related Letter of Credit) then available under the Letter of Credit securing such Series of Notes. At no time shall the aggregate amount of interest payable on the Outstanding Commercial Paper Notes of any Series of Notes exceed the the Interest Component (as defined in the related Letter of Credit) then available under the Letter of Credit securing such Series of Notes.

(e) The determinations of the Airport Director provided for in this Section shall be set forth in one or more Certificates of Additional Terms ("Certificate of Additional Terms") to be executed and delivered by the Airport Director, which Certificates of Additional Terms when executed and delivered by the Airport Director, shall constitute a part of the 1997 Resolution.

(f) The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer or registered form, as shall be determined by the Airport Director, shall be issued in denominations of \$100,000 and in integral multiples of \$5,000 in excess thereof; and interest on the Commercial Paper Notes shall be separately stated by rate and amount on the face of each Commercial Paper Note. Commercial Paper Notes shall bear interest from their respective dates, payable on their respective maturity dates.

(g) Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), which shall not in any event exceed the Maximum Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the related Termination Date, and (iii) shall be sold by the Dealers pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. ~~09~~ 0088

First Supplemental Resolution, shall be as set forth in the Issuance Request required by Section 13.06 hereof directing the issuance of such Commercial Paper Note.

(h) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(i) The Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes and each subseries thereof shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

(j) Commercial Paper Notes which are issued to finance or refinance Series A Projects shall be designated as Series A Notes. Commercial Paper Notes which are issued to finance or refinance Series B Projects shall be designated as Series B Notes. Commercial Paper Notes which are issued to finance or refinance Series C Projects shall be designated as Series C Notes. Commercial Paper Notes which are issued to finance or refinance Series D Projects or the Series A Projects shall be designated as Series D Notes. A subseries of each Series of Notes may be created as shall be determined to be necessary or desirable by the Airport Director to accommodate the use of one or more additional Letters of Credit.

(k) The Commercial Paper Notes shall constitute Bonds within the meaning of the 1997 Resolution and the Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes, including all subseries of such notes, collectively, shall constitute a single Commercial Paper Program within the meaning of the 1997 Resolution.

Section 13.02. Payment. The Commission covenants to duly and punctually pay or cause to be paid from Net Revenues in accordance with the 1997 Resolution, the principal of and interest on each and every Commercial Paper Note when due. To the extent Advances made by a Bank or Banks under a Letter of Credit for the purpose of paying principal of and interest on maturing Commercial Paper Notes together with Note Proceeds from Commercial Paper Notes issued on such date are insufficient to pay principal of and interest on maturing Commercial Paper Notes, the Commission will make all payments of interest and principal directly to the Issuing and Paying Agent in immediately available funds on or prior to 1:30 p.m., New York City time, on the date payment is due on any Commercial Paper Note. To the extent principal of and/or interest on Commercial Paper Notes is paid with an Advance, the Issuing and Paying Agent is authorized and directed to use amounts paid by the Commission to reimburse the applicable Bank(s). The principal of and the interest on the Commercial Paper Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Business Day upon which such Commercial Paper Notes have become due and payable; *provided*, that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 3:00 p.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 3:00 p.m. (New York City time) on a Business Day, payment therefore may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Section 13.03. Authentication of Commercial Paper Notes. The Issuing and Paying Agent is by this First Supplemental Resolution, designated by the Commission as an Authenticating Agent, Registrar and Paying Agent for the Commercial Paper Notes in accordance with the terms of Section 8.12 of the 1997 Resolution. Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not authenticate Commercial Paper Notes of a Series which mature later than the related Termination Date, and the Issuing and Paying Agent shall not authenticate Commercial Paper Notes of a Series if a Specified Event of Default under the related Letter of Credit then exists of which it has actual knowledge or the Issuing and Paying Agent has received a No-Issuance Notice under the related Letter of Credit.

If any Commercial Paper Notes are to be issued in bearer form, the Commission shall from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, each of which shall have attached such number of carbon copies as the Issuing and Paying Agent shall reasonably specify. When any Commercial Paper Notes are delivered to the Issuing and Paying Agent by the Commission, the Issuing and Paying Agent shall execute and deliver to the Commission a receipt therefor and shall hold such Commercial Paper Notes for the account of the Commission in safekeeping in accordance with its customary practice.

Section 13.04. Forms of Commercial Paper Notes and Authentication Certificate. The definitive Series A Notes, Series B Notes, Series C Notes and Series D Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate Series designation, variations, omissions and insertions as shall be required or appropriate to accomplish the purpose of the transaction authorized by the 1997 Resolution and this First Supplemental Resolution.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

The Commercial Paper Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 13.05. Book-Entry System. Unless the Airport Director or his designee determines that a Series of Commercial Paper Notes shall be issued in bearer form or registered form other than in book-entry form, the Commercial Paper Notes shall initially be issued in book-entry form as further provided in this Section 13.05.

(a) The Notes issued pursuant to this First Supplemental Resolution shall initially be issued in the form of a separate single fully-registered Note for each Series of the Commercial Paper Notes. Except as provided in subsection (c) of this Section 13.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 13.06, so long as the Notes remain in the form of one or more master notes in book-entry form, the issuance of Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Trustee, the Issuing and Paying Agent and the Commission may treat the registered owner of each Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Series of Notes to which such Note belongs, giving any notice permitted or required to be given to Noteholders under the 1997 Resolution, registering the transfer of Notes, obtaining any consent or other action to be taken by Noteholders, and for all other purposes whatsoever, and neither the Trustee, the Issuing and Paying Agent nor the Commission shall be affected by any notice to the contrary.

Neither the Trustee, the Issuing and Paying Agent nor the Commission shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant, or any other person who is not shown on the registration books as being a Noteholder, with respect to (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Noteholders under the 1997 Resolution; (iv) any consent given or other action taken by the Note Depository as Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on the Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

and the Trustee of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article XIII shall refer to such new Nominee.

(b) In order to qualify each Series of Commercial Paper Notes for the Note Depository's book-entry system, the appropriate officers or employees of the Commission are hereby authorized to execute, seal, countersign and deliver on behalf of the Commission to the Note Depository for each Series of Commercial Paper Notes, a Representation Letter from the Commission representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 13.05 or in any other way impose upon the Commission any obligation whatsoever with respect to persons having beneficial ownership interests in the Commercial Paper Notes other than the Noteholders.

(c) In the event (i) the Note Depository determines not to continue to act as securities depository for a Series of Commercial Paper Notes, or (ii) the Commission determines that the Note Depository shall no longer so act and delivers a written certificate to the Issuing and Paying Agent and the Trustee to that effect, then the Commission will discontinue the book-entry system with the Note Depository for such Series of Notes. If the Commission determines to replace the Note Depository for a Series of Commercial Paper Notes with another qualified securities depository, the Commission shall prepare or direct the preparation of a new, single, separate, fully registered Note of such Series for such Series of Notes registered in the name of such successor or substitute qualified Note Depository or its Nominee, or make such other arrangements acceptable to the Trustee, the Issuing and Paying Agent and such successor or substitute Note Depository as are not inconsistent with the terms of this Supplemental Resolution. If the Commission fails to identify another qualified Note Depository to replace the incumbent Note Depository for a Series of Commercial Paper Notes, then such Series of Notes shall no longer be restricted to being registered in the bond registration books in the name of the incumbent Note Depository or its Nominee, but shall be registered in whatever name or names the incumbent Note Depository or its Nominee transferring or exchanging such Series of Notes shall designate.

(d) Notwithstanding any provision of the 1997 Resolution to the contrary, so long as the Commercial Paper Notes are registered in the name of the Nominee, all payments with respect to principal of and interest on the Commercial Paper Notes and all notices with respect to the Commercial Paper Notes shall be made and given, respectively, as provided in the Representation Letter for the related Series of Notes or as otherwise instructed by the Note Depository.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

(e) The initial Note Depository with respect to each Series of Commercial Paper Notes shall be DTC. The initial Nominee with respect to each Series of Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

Section 13.06. Conditions Precedent to Delivery of Commercial Paper Notes.

(a) Prior to the issuance of each Series of Commercial Paper Notes hereunder, Commercial Paper Notes of such Series shall be executed by the Commission and delivered to the Issuing and Paying Agent, who shall hold such Commercial Paper Notes unauthenticated in safekeeping for the Commission. Subject to the provisions of Sections 13.01 and 13.05 hereof and paragraphs (c) and (d) of this Section 13.06, at any time and from time to time prior to the related Termination Date, Commercial Paper Notes shall be manually authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 1:00 p.m. (New York City time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include: (i) the principal amount and date of each Commercial Paper Note then to be delivered; (ii) the rate and amount of interest thereon; (iii) the maturity date thereof; (iv) whether the Commercial Paper Notes to be issued shall be Series A Notes, Series B Notes, Series C Notes or Series D Notes or a subseries thereof; and (v) if the Commercial Paper Notes are sold at a premium, the purchase price of the Notes. No later than 12:30 p.m. on each Business Day on which the Commission proposes to issue Commercial Paper Notes, each Dealer shall report to the Commission each transaction made with or arranged by it or shall notify the Commission and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase.

Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy, facsimile transmission, e-mail or other electronic communications method, or by telephone, promptly confirmed in writing), the Issuing and Paying Agent shall, by 2:15 p.m. (New York City time) on such day, complete each Series A Note, each Series B Note, each Series C Note and each Series D Note or any subseries thereof then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the Dealer upon receipt of payment therefor; *provided, however*, that no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if such delivery would result in the aggregate principal amount of Commercial Paper Notes Outstanding at any one time being in excess of \$400,000,000. The aggregate principal amount of each Series of Notes Outstanding at any one time shall not exceed the Principal Component (as defined in the related Letter of Credit) then available under the Letter

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

of Credit securing such Series of Notes, or would result in the aggregate amount of interest payable on Outstanding Commercial Paper Notes secured thereby to exceed the Interest Component then available under such Letter of Credit. Notwithstanding any provision herein to the contrary, no such Commercial Paper Notes of a Series shall be delivered by the Issuing and Paying Agent if (A) it shall have received notice from a Designated Representative directing the Issuing and Paying Agent to cease authenticating and delivering Commercial Paper Notes until such time as such direction is withdrawn by similar notice, (B) it shall have actual knowledge that a Specified Event of Default under the related Letter of Credit shall have occurred and be continuing, (C) it shall have received notice from Bond Counsel that their opinion regarding the exclusion of interest on the Commercial Paper Notes (other than Commercial Paper Notes designated as taxable Notes pursuant to Section 16.04) from the gross income for federal tax purposes of the holders thereof is being withdrawn, (D) the maturity date of the Commercial Paper Notes of such Series would extend beyond the Termination Date under the related Letter of Credit or (E) the Trustee and the Issuing and Paying Agent shall have received a No-Issuance Notice under the related Letter of Credit with respect to such Series. If an Issuance Request is received after 1:00 p.m. (New York City time) on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Commercial Paper Notes until the next succeeding Business Day.

The Commission shall, upon a change in the identity of its Designated Representatives, provide a certificate for each new Designated Representative to the Issuing and Paying Agent.

A copy of each Commercial Paper Note authenticated in bearer form by the Issuing and Paying Agent shall be promptly mailed by U.S. mail, first class, postage prepaid, to the Commission and the Trustee by the Issuing and Paying Agent. The Issuing and Paying Agent shall furnish the Commission with such additional information with respect to the carrying out of its duties hereunder as the Commission from time to time shall reasonably request.

(b) In addition to the Issuance Request described above in this Section 13.06, and as a further condition to the issuance of any Commercial Paper Notes, the Designated Representative shall certify to the Issuing and Paying Agent that, as of the date of delivery of such Commercial Paper Notes, (i) the related Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding hereunder as provided in Section 13.01(b) hereof; (iii) the interest rates borne by the Commercial Paper Notes to be delivered on such date do not exceed the lesser of the Maximum Rate or the rate used in calculating the Interest Component of the related Letter of Credit, (iv) unless the Commercial Paper Notes to be issued are taxable, the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date; (v) the terms of the

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Termination Date of the related Letter of Credit; (vi) the Commission has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereof delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealers has been delivered; (vii) no Specified Event of Default under the related Letter of Credit has occurred and is then continuing; and (viii) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in this Section 13.06 of this First Supplemental Resolution have been satisfied.

The delivery of any Issuance Request to the Issuing and Paying Agent by a Designated Representative in the manner provided in this Section shall constitute the certification and representation of the Commission as of the date of such Issuance Request as to the matters set forth in the immediately preceding paragraph.

(c) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and confirmed promptly in writing by a Designated Representative; *provided, however*, that the failure so to confirm any such Issuance Request, or any conflict between any such recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(d) Prior to the initial delivery of the Commercial Paper Notes of a Series under this First Supplemental Resolution and as a condition to such initial issuance, the Trustee and the Commission shall be notified by the Issuing and Paying Agent that the Issuing and Paying Agent has received:

(i) A fully executed counterpart of the Reimbursement Agreement relating to such Series;

(ii) The executed Letter of Credit relating to such Series;

(iii) The opinions of the United States counsel (and foreign counsel if the Bank is a United States branch or agency of a bank organized under the laws of a country other than the United States) to each Bank, addressed to the Commission, the Issuing and Paying Agent and the Trustee, to the effect that the Letter of Credit relating to such Series is a valid and binding obligation of the Bank(s), enforceable in accordance with its terms; and



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

(iv) The Dealer Agreements.

Section 13.07. Commercial Paper Notes. The Commission, the Trustee and the Issuing and Paying Agent may deem and treat the bearer of Notes in bearer form or the registered owner of Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Commission, the Trustee nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

ARTICLE XIV

APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS

Section 14.01. Establishment and Designation of Accounts.

(a) An account within the Construction Fund established pursuant to Section 4.01 of the 1997 Resolution is hereby established and designated as the "Commercial Paper Construction Account" and herein called the "Construction Account".

(b) The following accounts within the 1997 Resolution Debt Service Fund established pursuant to Section 5.02(b) of the 1997 Resolution are hereby established, and the Issuing and Paying Agent shall hold such accounts in accordance with the 1997 Resolution and the Issuing and Paying Agent Agreement:

(1) "Commercial Paper Debt Service Account," with subaccounts therein designated as the "Series A Debt Service Account," the "Series B Debt Service Account," the "Series C Debt Service Account" and the "Series D Debt Service Account," together with a debt service subaccount for each subseries of Notes as provided in the related Certificate of Additional Terms;

(2) "Commercial Paper Bank Payment Account" and herein called the "Bank Payment Account," with subaccounts therein designated as the "Series A Bank Payment Account," the "Series B Bank Payment Account," the "Series C Bank Payment Account" and the "Series D Bank Payment Account," together with a bank payment subaccount for each subseries of Notes as provided in the related Certificate of Additional Terms; and

(3) Bank Note Debt Service Account and herein called the "Bank Note Account" with subaccounts therein for each Series of Bank Notes as provided in the related Certificate of Additional Terms.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-0088

(c) The Commission hereby determines not to establish an account within the 1997 Resolution Reserve Fund for the benefit of the Noteholders.

(d) As set forth in a Certificate of Additional Terms, additional accounts or subaccounts for any Series may be established hereunder from time to time as shall be determined to be necessary or desirable by the Airport Director.

Section 14.02. Deposit of Proceeds of Commercial Paper Notes. Immediately upon receipt thereof, the Issuing and Paying Agent shall first deposit the proceeds of the sale of the Commercial Paper Notes of a Series into the related subaccount of the Bank Payment Account in an amount equal to the unreimbursed Advances made by the Bank(s) under the related Letter of Credit to pay principal of or interest on the Commercial Paper Notes of such Series and shall then transfer the remaining proceeds to the Treasurer for deposit in the Construction Account.

Section 14.03. Application of Moneys in the Construction Account.

(a) Moneys in the Construction Account attributable to each Series of Notes shall be applied to the payment of the Project Costs for such Series. The Commission may from time to time amend the list of Series A Projects, Series B Projects or Series D Projects in the Tax Certificate; *provided, however*, that the Commission shall not amend the list of Series A Projects, Series B Projects or Series D Projects in such a way as to change the tax status of the related Series of Commercial Paper Notes. The Commission may from time to time amend the list of Series C Projects in the certificate of the Commission.

(b) The Treasurer is hereby authorized to disburse from the Construction Account the amount required for the payment of Project Costs and is directed to make such disbursements upon receipt of a warrant drawn by the Controller.

(c) Moneys held in the Construction Account shall be invested by the Treasurer in Permitted Investments as directed by an Authorized Commission Representative.

Section 14.04. Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account.

(a) On or before 1:30 p.m. New York City time, on the maturity of each Note, the Commission shall deposit from Net Revenues available therefor pursuant to Section 5.05(c) and Section 5.06(b)(ii) of the 1997 Resolution with the Issuing and Paying Agent for deposit in the Bank Payment Account, an amount sufficient, together with all other amounts available to the Issuing and Paying Agent in the related Series subaccount of the Bank Payment Account to pay principal of and interest due on all Notes on such maturity date. The Issuing and Paying Agent

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

shall notify the Commission on or before 5:00 p.m., New York City time, on the Business Day prior to such maturity date, of the total amount due on such maturity date.

(b) Each Advance received by the Issuing and Paying Agent as a result of a drawing under a Letter of Credit to pay the principal of and interest on maturing Notes of a Series shall be deposited into the related Debt Service Account or subaccount of the Commercial Paper Debt Service Account and used to pay the principal of and interest on the maturing Notes of such Series upon the proper presentment thereof.

(c) Amounts deposited into the Bank Payment Account or subaccount with respect to the Notes of a Series shall be used, on each day that an Advance is received by the Issuing and Paying Agent and deposited into the Debt Service Account or subaccount related to such Series, by the Issuing and Paying Agent to reimburse the related Bank or Banks for the amount of such Advance; *provided, however*, if, on any maturity date of the Notes of such Series, the Advances paid under the related Letter of Credit are not sufficient to pay the full amount of the principal of and interest due on such related Notes on such date, amounts in the Bank Payment Account or subaccount related to such Series shall be used to make the balance of such payment.

(d) Moneys in the Commercial Paper Debt Service Account and the Bank Payment Account shall not be invested.

(e) Any lien that the Issuing and Paying Agent and the Trustee may have on Advances made by a Bank under a Letter of Credit and the related Note Proceeds shall be expressly subordinate to the lien on such funds created for the benefit of the holders of the Commercial Paper Notes of the related Series and such Bank.

Section 14.05. Drawings Under a Letter of Credit. On or before each maturity date for any Commercial Paper Note of a Series, the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the Administrative Agent for the related Letter of Credit and demand payment be made under such Letter of Credit on such maturity date, at such time and in such amount not in excess of the Stated Amount of the related Letter of Credit, so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes of such Series on such date.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

ARTICLE XV

THE BANK NOTES

Section 15.01. Authorization and Terms of Bank Notes.

(a) The Commission hereby authorizes the issuance of one or more Series of its "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes," subject to the provisions of this Section 15.01 and as hereinafter provided. A Series of Bank Notes shall be issued for each Bank and designated the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes (insert name of Bank) Series." The Bank Notes shall be issued (i) on the effective date of the related Letter of Credit to evidence Advances that are not reimbursed on the same Business Day any such Advance is made and that remain outstanding from time to time, (ii) from time to time in the event that any Advance is not reimbursed on the same Business Day such Advance is made, or (iii) as shall otherwise be set forth in the related Reimbursement Agreement; and in any such case, in consideration of the payment of unreimbursed Advances by the related Bank or Banks. The aggregate principal amount of Bank Notes of a Series that may be Outstanding at any one time hereunder shall not at any time exceed the Stated Amount of the related Letter of Credit.

(b) The Bank Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form only; shall be issued and outstanding from time to time in any denomination as provided in the related Reimbursement Agreement and shall bear interest at the interest rates set forth in the related Reimbursement Agreement; *provided, however,* that the interest rate on the Bank Notes shall never exceed the Maximum Rate. Bank Notes shall bear interest from their respective dates, payable in accordance with the related Reimbursement Agreement. Principal of the Bank Notes shall be payable in accordance with the related Reimbursement Agreement. The final maturity of the Bank Notes shall be as provided in the related Reimbursement Agreement.

(c) The maturity date and other terms of each Bank Note, so long as not inconsistent with the terms of this First Supplemental Resolution, shall be as set forth in the certificate of an Authorized Commission Representative directing the issuance of such Bank Note.

(d) Anything in the 1997 Resolution to the contrary notwithstanding, each Series of Bank Notes shall be subject to optional and mandatory prepayment prior to maturity in accordance with, and upon notice as provided by, the related Reimbursement Agreement.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

(e) Each Series of Bank Notes shall be numbered consecutively from No. 1 upward. The Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

Section 15.02. Issuance of Bank Notes. In the event that any Bank shall have made an Advance that has not been reimbursed on the same Business Day by such time as shall be set forth in the related Reimbursement Agreement, such Bank or the Administrative Agent under the related Letter of Credit shall provide notice in writing to the Commission, the Issuing and Paying Agent and the Trustee stating: (x) (i) the amount of the Advance that remains unreimbursed; and (ii) the amount by which the outstanding principal of each Bank Note shall be increased as a result thereof, the principal amount of the Bank Notes to be issued as a result thereof, or otherwise as shall be set forth in the related Reimbursable Agreement; (y) (i) the amount of the Advance that remains unreimbursed; (ii) the final maturity date of such Bank Note or related portion thereof; and (iii) the amount of each scheduled principal installment on such Bank Note or related portion thereof. Upon receipt of a notice requesting the issuance of a Bank Note, the Issuing and Paying Agent shall authenticate a Bank Note of the Series specified in such notice and in accordance with such notice and the certificate of an Authorized Commission Representative delivered to the Issuing and Paying Agent pursuant to Section 15.01(c) and shall deliver such Bank Note to or upon the order of the respective Bank.

Section 15.03. Form of Bank Notes and Authentication Certificate. The definitive Bank Notes and the Certificate of Authentication endorsed thereon shall be substantially in the forms set forth in Exhibit B attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be necessary or appropriate to accomplish the purpose of the transaction authorized by the 1997 Resolution and this First Supplemental Resolution.

The Bank Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 15.04. No Transfers of Bank Notes. Unless otherwise required by applicable law, the Bank Notes shall be non-negotiable and non-transferable.

Section 15.05. Deposits of Net Revenues in Bank Note Account. In accordance with Section 5.03 and Section 5.06 of the 1997 Resolution, on the Business Day before each Bank Note Payment Date, the Treasurer shall allocate and transfer to the Issuing and Paying Agent for deposit in the related Bank Note Account amounts from available Net Revenues, as follows:

(a) An amount equal to the aggregate amount of interest due and payable on such Bank Note Payment Date on all Bank Notes Outstanding; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

(b) An amount equal to the aggregate principal amount due and payable on such Bank Note Payment Date on the Outstanding Bank Notes.

Amounts in the Bank Note Account shall be invested by the Issuing and Paying Agent in Permitted Investments in accordance with Section 5.08 of the 1997 Resolution.

The Bank Notes shall not be payable from the proceeds of a Letter of Credit drawing.

ARTICLE XVI

COVENANTS

Section 16.01. No Arbitrage. The Commission shall not take, nor permit to be taken by the Trustee, the Issuing and Paying Agent or otherwise, any action which, if such action had been reasonably expected to have been taken or had been deliberately and intentionally taken on the date of the issuance of any Series of Commercial Paper Notes, would have caused such Series of the Commercial Paper Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations. To that end, the Commission will comply with all requirements of Section 148 of the Code to the extent applicable to each Series of Notes. In the event that at any time the Commission is of the opinion that for purposes of this Section 16.01 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or the Issuing and Paying Agent under this First Supplemental Resolution, the Commission shall so instruct the Trustee or the Issuing and Paying Agent in writing, and the Trustee or the Issuing and Paying Agent, as the case may be, shall take such action as may be necessary in accordance with such instructions.

Section 16.02. Rebate to United States. The Commission will pay or cause to be paid to the United States Government the amounts required by Section 148(f) of the Code and any Regulations promulgated thereunder at the times required thereby. To further the satisfaction of such rebate requirement, there is hereby created, to be held by the Trustee as a separate fund for each Series of Commercial Paper Notes distinct from all other funds and accounts held by the Trustee under the 1997 Resolution, an account in the Rebate Fund designated as the "Series/Subseries \_\_ Rebate Account". The Trustee shall hold any payments received from the Commission for deposit into the Series Rebate Account for each Series of Commercial Paper Notes for purposes of ultimate rebate to the United States, all as more particularly described in the Tax Certificate for such Series. Pending payment to the United States, moneys held in the Series Rebate Account are hereby pledged to secure such payments to the United States as provided herein and in the Tax Certificate, and neither the Commission, the Owners nor any other person shall have any rights in or claim to such moneys. The Trustee shall invest all amounts held in the Series Rebate Accounts in Nonpurpose Investments (as defined in the applicable Tax Certificate), as directed by the Commission in the applicable Tax Certificate.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Computations of the rebate amount and all calculations under this Section and the Tax Certificate shall be furnished by or on behalf of the Commission. The Trustee shall be deemed conclusively to have complied with the provisions of this Section if it follows the directions of the Commission consistent with the provisions of the Tax Certificate. The Trustee shall have no liability or responsibility to enforce compliance by the Commission with the Rebate Requirement. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section, other than from moneys required to be held in the funds and accounts created under the 1997 Resolution, including the Series Rebate Accounts, or from other moneys provided to it by the Commission.

The Commission and the Trustee shall keep and retain, for a period of six (6) years following the retirement of the related Series of Commercial Paper Notes, records of the determinations made pursuant to this Section 16.02.

In order to provide for the administration of this Section 16.02, the Commission may provide for the employment of independent attorneys, accountants and consultants, who shall be selected by the Commission with reasonable care and compensated on such reasonable basis as the Commission may deem appropriate, and the Trustee may rely conclusively upon the opinions, calculations, determinations and advice of such attorneys, accountants and consultants employed hereunder.

Section 16.03. Tax Covenant. The Commission shall not use or knowingly permit the use of any proceeds of the Commercial Paper Notes or any other funds of the Commission, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Commercial Paper Notes being treated as an obligation not described in Section 103(a) of the Code. Without limiting the generality of the foregoing, the Commission will comply with all the requirements and covenants contained in the Tax Certificate. This covenant shall survive the payment in full or defeasance of the Commercial Paper Notes.

Section 16.04. Taxable Notes. Notwithstanding anything in this Supplemental Resolution to the contrary, in the event the Commission, designates a Series of Commercial Paper Notes as obligations not described in Section 103(a) of the Code, the provisions of Sections 16.01, 16.02 and 16.03 shall not apply to such Series of Commercial Paper Notes. The Commission hereby designates the Series C Notes and all subseries thereof as obligations not described in Section 103(a) of the Code.

Section 16.05. Letter of Credit. The Commission hereby covenants to maintain in effect a Letter of Credit meeting the requirements hereof at all times that Commercial Paper Notes are Outstanding hereunder. The Commission further covenants that if it is unable to obtain a binding commitment for a substitute Letter of Credit at least 60 days prior to the Expiration Date, it shall

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

endeavor to refinance the Series A Projects, the Series B Projects, Series C Projects and the Series D Projects through the issuance of its bonds.

Section 16.06. Reimbursement Agreement. The Commission hereby covenants to comply with the provisions of each Reimbursement Agreement.

ARTICLE XVII

ISSUING AND PAYING AGENT; DEALERS

Section 17.01. Appointment of Issuing and Paying Agent. The Commission hereby agrees that at or prior to the time of issuance of the initial Commercial Paper Notes, the Commission will enter into the Issuing and Paying Agent Agreement and that the Commission will at all times prior to any Termination Date maintain in effect an Issuing and Paying Agent Agreement, pursuant to which the Issuing and Paying Agent will agree to observe and perform its duties and obligations thereunder and under this First Supplemental Resolution.

Section 17.02. Reports and Records. (a) The Issuing and Paying Agent shall at all times keep or cause to be kept proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Notes and all Funds and Accounts established and maintained by the Issuing and Paying Agent pursuant to this First Supplemental Resolution. Such records shall be available for inspection by the Commission on each Business Day upon reasonable notice during reasonable business hours and by any Owner or its agent or representative duly authorized in writing at reasonable hours and under reasonable circumstances. The Issuing and Paying Agent shall not be required to maintain records with respect to transactions made by the Treasurer, the Trustee or the Commission or with respect to Funds and Accounts established and maintained by the Treasurer or the Trustee.

(b) The Issuing and Paying Agent shall provide to the Commission each month a report of the amounts deposited in each Fund and Account held by it under this First Supplemental Resolution and the amount disbursed from such Funds and Accounts, the earnings thereon, the ending balance in each such Fund and Account, the investments in each such Fund and Account and the yield on each investment calculated in accordance with the directions of an Authorized Commission Representative. Such report shall also include such information regarding the issuance of Commercial Paper Notes during the subject month as the Commission shall request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Commission resulting from the Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Commission therein recorded.

Section 17.03. Resignation and Replacement of Issuing and Paying Agent. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this First Supplemental Resolution by giving at least 30 days' written notice to the Administrative Agent, the Trustee and the Commission. The Issuing and Paying Agent may be removed, with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, at any time by an instrument signed by an Authorized Commission Representative and filed with the Issuing and Paying Agent, the Administrative Agent and the Trustee. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected and assumed the duties of the Issuing and Paying Agent hereunder and each Letter of Credit has been transferred to the successor Issuing and Paying Agent in accordance with its terms.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having an office in New York, New York, and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America, or of any state, with a combined capital and surplus of at least \$50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

Section 17.04. Dealers. The Commission hereby agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Commission will enter into a Dealer Agreement with each Dealer. The Commission covenants that at all times prior to any Termination Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this First Supplemental Resolution and its Dealer Agreement.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01. Substitute Letter of Credit. Notwithstanding anything herein to the contrary, the Commission may obtain a substitute Letter of Credit to replace a Letter of Credit then in effect hereunder so long as said substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of such Letter of Credit then in effect, the Expiration Date with respect to such substitute Letter of Credit shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Expiration Date set forth in the such Letter of Credit then in effect. The substitute Letter of Credit shall have a Stated Amount (as such term is used in the original Letter of Credit) at least as great as the related Letter of Credit being replaced. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a substitute Letter of Credit:

(a) The Commission shall deliver written notice of the proposed substitution to the Trustee, the Issuing and Paying Agent, the Administrative Agent and the Dealers not less than 45 days prior to the substitution date.

(b) There shall be delivered to the Commission, the Trustee and the Issuing and Paying Agent written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes of the related Series being suspended, reduced or withdrawn; *provided, however*, that such written evidence need not be delivered if no related Note Outstanding prior to the effective date of the substitute Letter of Credit has a maturity date after the effective date of such substitution.

(c) The Issuing and Paying Agent shall deliver written notice to the registered Owners of the Commercial Paper Notes of the related Series at least 30 days prior to the substitution date. If any such Outstanding Note is in bearer form, the Trustee shall publish notice of the substitution of such Letter of Credit in Authorized Newspapers at least 30 days prior to the substitution date.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

(d) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the substitute Letter of Credit is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(e) An Opinion of Bond Counsel shall be delivered to the effect that the substitution of the Letter of Credit is authorized hereunder and (with respect to Notes other than Notes designated as obligations not described in Section 103(a) of the Code pursuant to Section 16.04) will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Notes of the related Series.

Section 18.02. Timeliness of Deposits. Funds shall be deemed transferred for purposes of timeliness of receipt under this First Supplemental Resolution when transfer instructions for transfer by federal reserve wire have been given and a federal wire number confirmation has been received; *provided*, that the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

Section 18.03. Waiver of Events of Default. No Event of Default with respect to the Commercial Paper Notes or the Bank Notes shall be waived pursuant to Section 7.10(c) unless after such waiver the reinstatement provisions of the related Letter of Credit shall be in full force and effect.

Section 18.04. Defeasance of Commercial Paper Notes. Commercial Paper Notes shall not be deemed to have been paid in full within the meaning of Article X of the 1997 Resolution unless payment of the principal of, and interest on the Commercial Paper Notes either (a) shall have been made or caused to be made in accordance with the terms of the Commercial Paper Notes and the 1997 Resolution or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (i) Available Moneys sufficient to make such payment and/or (ii) noncallable Government Obligations purchased with Available Moneys, 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.

Section 18.05. Banks to Control Remedies. Pursuant to Section 7.13 of the 1997 Resolution, while each Letter of Credit is in effect, so long as a Bank is not Insolvent and is not in default under its Letter of Credit relating to any Series, no remedy under the 1997 Resolution with respect to the Commercial Paper Notes of the related Series may be pursued without the prior written consent of such Bank. Each Bank shall have the right to direct the Trustee to pursue any right, power, or remedy available under the 1997 Resolution with respect to the assets, if any, available under the 1997 Resolution which secure no Bonds other than the Bonds secured by the related Letter of Credit. If, at any time, more than one Bank is eligible to exercise the powers provided in this Section 18.05, the Trustee must obtain the

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

consent of all eligible Banks when consent of a Bank is required, and the Trustee need not follow any direction in accordance with the preceding sentence unless such direction is approved in writing by all eligible Banks.

Section 18.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period; *provided, however,* that this Section 18.06 shall not apply to Bank Notes.

Section 18.07. Notices to Rating Agencies. The Commission shall provide the Rating Agencies with written notice of the occurrence of the following events: (i) changes in Dealers, (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to the 1997 Resolution pursuant to Section 9.02, (iv) the expiration, termination, substitution or extension of any Letter of Credit, and (v) the defeasance of all Outstanding Commercial Paper Notes. Notices to Moody's shall be addressed as follows (or as provided in any subsequent notice to the Commission) Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, 23<sup>rd</sup> Floor, New York, New York 10007, Attention: Structured Finance Group.

Section 18.08. Effective Date. This amended and restated First Supplemental Resolution shall become effective upon receipt by the Commission in writing of all consents required for the amendment of the First Supplemental Resolution as originally adopted by the Commission.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0088

AMENDED AND RESTATED by the Airport Commission of the City and County of San Francisco this 5<sup>th</sup> day of May, 2009, by the following vote:

Ayes:

5

Noes:

0

Absent:

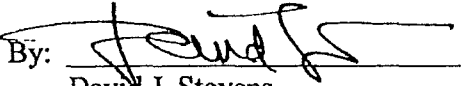
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[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

By:

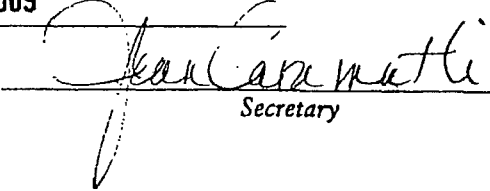
  
David J. Stevens  
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission

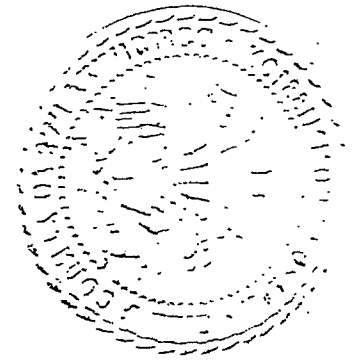
at its meeting of \_\_\_\_\_

**MAY 05 2009**

28 of 28

  
Secretary

3200-00



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. \_\_\_\_\_

EXHIBIT A  
(Form of Master Note)

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE COMMERCIAL PAPER NOTES  
SERIES \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$\_\_\_\_\_ Outstanding

The AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (hereinafter called the "Commission"), for value received, hereby promises to pay (but only out of the Net Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Commission (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by Wells Fargo Bank, National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent"). Interest shall be calculated on the basis of actual days elapsed in a 365 or 366 day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Net Revenues (as defined in the Resolution referred to hereinafter) and payments of drawings under an irrevocable direct pay Letter of Credit of \_\_\_\_\_, acting through its New York Branch, by [wire transfer] to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Note is one of a duly authorized issue of San Francisco International Airport Second Series Subordinate Revenue Bonds of the Commission (hereinafter called the "Obligations") of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate principal amount and consists of multiple series and subseries of varying denominations, dates, maturities, interest rates and other provisions, as in the Resolution hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter and the Administrative Code of the City and County of San Francisco (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Airport Commission

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. \_\_\_\_\_

of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Note, Series \_\_” (hereinafter called the “Series \_\_ Notes”), limited to \$ \_\_\_\_\_ in aggregate principal amount. This Note is issued pursuant to a resolution of the Commission, adopted May 20, 1997, as amended and supplemented, including as supplemented by the First Supplemental Resolution adopted May 20, 1997, and amended and restated on May 5, 2009, providing for the issuance of the Obligations, including the Series \_\_ Notes, the Series \_\_ Notes, the Series \_\_ Notes and the Series \_\_ Notes, in the aggregate principal amount of \$ \_\_\_\_\_, (hereinafter collectively called the “Resolution”).

Reference is hereby made to the Resolution and to the Act for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Net Revenues; as that term is defined in the Resolution, and the rights of the registered owners of the Obligations; and all the terms of the Resolution and the Act are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. Additional series and subseries of Obligations may be issued on a parity with the Notes of this authorized Series, but only subject to the conditions and limitations contained in the Resolution.

This Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Resolution (and to the extent set forth in the Resolution), is payable from, and is secured by a charge and lien on, the Net Revenues derived by the Commission from the Airport (as those terms are defined in the Resolution).

The Obligations are special obligations of the Commission, and are payable, both as to principal and interest, out of the Net Revenues pertaining to the Airport and the moneys in the Funds and Accounts provided in the Resolution, subject to the prior payment of principal of and interest on the 1991 Resolution Bonds, and not out of any other fund or moneys of the Commission. No holder of this Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Note or the interest hereon.

At the request of the registered owner, the Commission shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note. This Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Series \_\_ Note or Series \_\_ Notes without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. \_\_\_\_\_

The Commission, Wells Fargo Bank, National Association, as Trustee (herein called the "Trustee"), and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Commission and of the registered owners of the Obligations may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Resolution; *provided*, that no such modification or amendment shall (i) extend the stated maturity of any Obligation, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, or change the currency for any payment of principal thereof or redemption premium or interest thereon, without the consent of the holder of each Obligation so affected, or (ii) reduce the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification or permit the creation of a lien upon the Net Revenues prior to or on a parity with the lien of the Resolution, without the consent of the holders of all of the Obligations then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Obligation without the consent of the registered owner of each Obligation not receiving such preference or priority.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Note, together with all other indebtedness of the Commission pertaining to the Airport, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Resolution.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Note is a valid and binding obligation of Commission.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. \_\_\_\_\_**

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said City and County to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

AIRPORT COMMISSION OF THE CITY  
AND COUNTY OF SAN FRANCISCO

By \_\_\_\_\_  
President

Countersigned:

\_\_\_\_\_  
Secretary of the Commission

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This is the Master Note described in the within-mentioned Resolution.

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
(Name, address, and Taxpayer Identification Number of Assignee)

this Master Note and all rights thereunder, hereby irrevocably constituting and appointing  
\_\_\_\_\_ attorney to transfer said Master Note on the books of the  
Commission with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

\_\_\_\_\_  
(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

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

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. \_\_\_\_\_

EXHIBIT B

(Form of Bank Note)

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE REVENUE NOTES  
\_\_\_\_\_ SERIES

<u>Dated Date</u>	<u>Principal Payment</u>	<u>Final Maturity Date</u>
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Registered Owner:

Original Principal Sum:

The AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (hereinafter called the "Commission"), for value received, hereby promises to pay (but only out of the Net Revenues hereinafter referred to) to the registered owner hereinabove named, on each January \_\_, April \_\_, July \_\_, and October \_\_, commencing \_\_\_\_\_, to and including the final maturity date hereinabove stated (each a "Payment Date") (subject to any right of prior prepayment hereinafter mentioned) the principal payment hereinabove stated together with interest on the principal balance outstanding from its dated date until the principal hereof shall have been paid, at the applicable Bank Rate (as defined in that certain Letter of Credit and Reimbursement Agreement, dated as of \_\_, \_\_, by and among the Commission and \_\_\_\_\_, as \_\_\_\_\_ (hereinafter called the "Agreement")) payable on each Payment Date, by wire transfer to \_\_\_\_\_. Payment of the principal of this Note at final maturity or prepayment price upon prior prepayment in full of this Note shall be made upon surrender hereof at the office of Wells Fargo Bank, National Association, as Issuing and Paying Agent in New York, New York. Payment of principal of, and interest on, this Note shall be made in any lawful currency of the United States of America. Interest on this Note shall be calculated on the basis of a 365 or 366 day year and actual days elapsed.

This Note is one of a duly authorized issue of San Francisco International Airport Second Series Subordinate Revenue Notes of the Commission (hereinafter called the "Obligations") of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate principal amount and consists of multiple series of varying

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. \_\_\_\_\_

denominations, dates, maturities, interest rates and other provisions, as in the Resolution hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter and the Administrative Code of the City and County of San Francisco (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Note, \_\_\_\_\_ Series" (hereinafter called the "Series \_ Notes"), limited to \$ \_\_\_\_\_ in aggregate principal amount. This Note is issued pursuant to a resolution of the Commission, adopted May 20, 1997, as amended and supplemented, including as supplemented by the First Supplemental Resolution adopted May 20, 1997, and amended and restated on May \_\_, 2009, providing for the issuance of the Obligations, including the Series \_ Notes, the Series \_\_ Notes, the Series \_\_\_ Notes and the Series \_\_\_\_ Notes, in the aggregate principal amount of \$ \_\_\_\_\_ (hereinafter collectively called the "Resolution").

Reference is hereby made to the Resolution and to the Act for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Resolution, and the rights of the registered owners of the Obligations; and all the terms of the Resolution and the Act are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by its acceptance hereof, consents and agrees. Additional series of Obligations may be issued on a parity with the Notes of this authorized Series, but only subject to the conditions and limitations contained in the Resolution.

This Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Resolution (and to the extent set forth in the Resolution), is payable from, and is secured by a charge and lien on, the Net Revenues derived by the Commission from the Airport (as those terms are defined in the Resolution).

The Obligations are special obligations of the Commission, and are payable, both as to principal and interest, out of the Net Revenues pertaining to the Airport and the moneys in the Funds and Accounts provided in the Resolution, subject to the prior payment of principal of, and interest on, the 1991 Resolution Bonds, and not out of any other fund or moneys of the Commission. No holder of this Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Note or the interest hereon.

The Series \_\_ Notes are subject to optional prepayment prior to their respective stated final maturity dates, at the option of the Commission, from any source of available funds, in whole or in part in principal amounts of at least \$100,000, on any date, [and by lot within a maturity], at a prepayment price equal to the principal amount of Series \_\_ Notes prepaid), together with accrued interest to the date fixed for prepayment.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. \_\_\_\_\_**

The Commission, Wells Fargo Bank, National Association, as Trustee (herein called the "Trustee"), and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Commission and of the registered owners of the Obligations may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Resolution; *provided*, that no such modification or amendment shall (i) extend the stated maturity of any Obligation, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, or change the currency for any payment of principal thereof or redemption premium or interest thereon, without the consent of the holder of each Obligation so affected, or (ii) reduce the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification or permit the creation of a lien upon the Net Revenues prior to or on a parity with the lien of the Resolution, without the consent of the holders of all of the Obligations then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Obligation without the consent of the registered owner of each Obligation not receiving such preference or priority.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Note, together with all other indebtedness of the Commission pertaining to the Airport, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Resolution.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Note is a valid and binding obligation of Commission.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. \_\_\_\_\_**

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said City and County to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

AIRPORT COMMISSION OF THE CITY  
AND COUNTY OF SAN FRANCISCO

By \_\_\_\_\_  
President

Countersigned:

\_\_\_\_\_  
Secretary of the Commission

**CERTIFICATE OF AUTHENTICATION**

This is one of the Notes described in the within-mentioned Resolution and registered this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory

B-4

*I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of \_\_\_\_\_*

\_\_\_\_\_  
*Secretary*





AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 08-0035

Thirteenth Supplemental Resolution Providing for the Issuance of  
Not to Exceed \$718,000,000 Aggregate Principal Amount of  
San Francisco International Airport  
Second Series Revenue Bonds for Capital Plan Purposes

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), 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 previously supplemented and amended, including as supplemented by this resolution (as hereafter supplemented and amended, the "Thirteenth Supplemental Resolution"), is herein called the "1991 Resolution"; and

WHEREAS, the 1991 Resolution provides that the Commission may issue Bonds from time to time as the issuance thereof is authorized by the Commission; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance of one or more additional Series of Bonds in an aggregate principal amount of not to exceed Seven Hundred Eighteen Million Dollars (\$718,000,000) for the purpose of financing and refinancing the construction, acquisition, equipping and development of capital projects undertaken by the Airport which are approved by the Commission from time to time, thereby constituting part of the Airport's capital plan (collectively, the "Capital Plan Projects");

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

ARTICLE 34-LXXXII  
DEFINITIONS AND GENERAL PROVISIONS

Section 34-82.01. Definitions. All capitalized terms in Articles 34-LXXXII through 34-LXXXIII not otherwise defined herein shall have the meanings assigned to them in Article I of the 1991 Resolution or in the Sixth Supplemental Resolution, as amended, or the Eleventh Supplemental Resolution, as amended, to the extent the terms of such Supplemental Resolutions are made applicable to Capital Plan Bonds pursuant to Section 34-83.01(b) hereof.

**AIRPORT COMMISSION**

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 08-0035

For the purposes of Articles 34-LXXXII through 34-LXXXIII, the following capitalized terms shall have the following meanings:

“Capital Plan Bonds” means the one or more Series of San Francisco International Airport Second Series Revenue Bonds, in an aggregate principal amount not to exceed \$718,000,000, that are authorized to be issued by the Commission from time to time pursuant to this Thirteenth Supplemental Resolution.

“Capital Plan Projects” means capital projects undertaken by the Airport which are approved by the Commission from time to time, thereby constituting part of the Airport's capital plan.

“Eleventh Supplemental Resolution” means Resolution No. 03-0220, adopted by the Commission on October 21, 2003, as supplemented and amended.

“Seventh Supplemental Resolution” means Resolution No. 98-0114, adopted by the Commission on May 19, 1998, as supplemented and amended.

“Sixth Supplemental Resolution” means Resolution No. 97-0104, adopted by the Commission on April 15, 1997, as supplemented and amended.

“Thirteenth Supplemental Resolution” has the meaning given in the recitals hereto.

Section 34-82.02. General Authorization. The appropriate officers, agents and employees of the Commission are each hereby authorized and directed in the name and on behalf of the Commission to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of one or more Series of Capital Plan Bonds in accordance with the provisions of the 1991 Resolution. At any time after the adoption of this Thirteenth Supplemental Resolution, the Airport Director or his designee is hereby authorized to make corrections to any Section or Article numbers, or any references thereto, in this Thirteenth Supplemental Resolution, without further act of the Commission, and such corrected resolution shall be deemed to be the definitive Thirteenth Supplemental Resolution adopted this date.

Section 34-82.03. Ratification of the 1991 Resolution. This Thirteenth Supplemental Resolution and all the terms and provisions herein contained shall form part of the 1991 Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the 1991 Resolution. The 1991 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 08-0035

supplemented to the date hereof, including as supplemented by this Thirteenth Supplemental Resolution.

Section 34-82.04. Request for Board Approval. The Commission hereby authorizes and directs the Airport Director to request that the Board of Supervisors approve (a) the Capital Plan Bonds authorized by this resolution, and (b) that the maximum number of issues of Capital Plan Bonds shall be nine (9), *provided*, that for this purpose, any number of series or subseries of Capital Plan Bonds issued on the same Closing Date shall collectively constitute one (1) issue.

ARTICLE 34-LXXXIII  
AUTHORIZATION AND TERMS OF BONDS

Section 34-83.01. Authorization and Terms of Bonds. (a) One or more Series of Bonds to be issued under the 1991 Resolution, in the aggregate principal amount of not to exceed Seven Hundred Eighteen Million Dollars (\$718,000,000), are hereby created. Each Series of said Bonds shall be known as the "San Francisco International Airport Second Series Revenue Bonds, Issue \_" (with such alpha-numerical Series designation as the Airport Director shall determine) (collectively, the "Capital Plan Bonds").

(b) Capital Plan Bonds shall be issued in the form and denominations, shall be numbered, executed, registered, transferred and authenticated, shall bear interest and mature, shall be subject to redemption and tender for purchase, shall be payable as to principal, interest, redemption price, purchase price and premium, shall be subject to the provisions relating to book-entry, and shall otherwise be accorded the rights, shall have and be subject to the terms, conditions and procedures, and shall be issued and sold pursuant to, in accordance with and as provided by (i) for Infrastructure Bonds, the Sixth Supplemental Resolution, or (ii) for Variable Rate Bonds, the Eleventh Supplemental Resolution, in each case subject to any changes thereto as may be necessary or desirable to ensure consistency with the purposes and intent of this Thirteenth Supplemental Resolution, such changes to be set forth in a Series Sale Resolution with respect to one or more Series of Capital Plan Bonds. Notwithstanding the foregoing provisions of this paragraph, no Capital Plan Bonds shall have a final maturity after May 1, 2045.

(c) Notwithstanding the immediately preceding paragraph, the aggregate principal amount of any Capital Plan Bonds issued pursuant to this Thirteenth Supplemental Indenture shall not be counted against the principal amount of 1991 Resolution Bonds authorized to be issued under the Sixth Supplemental Resolution, the Seventh Supplemental Resolution, or the Eleventh Supplemental Resolution.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 08-0035

(d) Capital Plan Bonds may be issued for the purpose of financing and refinancing the construction, acquisition, equipping and development of Capital Plan Projects, including without limitation the refunding of outstanding commercial paper notes issued under the Commission's Resolutions Nos. 97-0147, 97-0148, and 99-0299, as amended and supplemented or other outstanding Subordinate Bonds (as defined in the 1991 Resolution), in each case to finance or refinance such Capital Plan Projects.

(e) Capital Plan Bonds may be offered for sale in accordance with an Official Notice of Sale in such form as the Commission or the Airport Director or his designee may approve with the advice of the City Attorney or, alternatively, may be sold pursuant to a Bond Purchase Contract in such form as the Commission or the Airport Director or his designee may approve with the advice of the City Attorney, but in any case not later than June 30, 2015.

Section 34-83.02. Applicability of Article 30-LXVII to Capital Plan Bonds. The Airport Director may determine by Series Sale Resolution that the provisions of Article 30-LXVII shall apply to the Bond Insurer providing a Bond Insurance Policy with respect to any Series of Capital Plan Bonds.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 08-0035

ADOPTED by the Airport Commission of the City and County of San Francisco  
this 19th day of February, 2008, by the following vote:

Ayes: 3


Noes: 0

Absent: 2

[SEAL]


Approved as to Form:

DENNIS J. HERRERA  
City Attorney of the City and  
County of San Francisco

By   
Deputy City Attorney

Page 5 of 5

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of FEB 19 2008

  
Secretary



**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 39-0299**

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

**First Supplemental Resolution  
Providing for the Issuance of  
Not to Exceed \$400,000,000 Aggregate Principal Amount of**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE COMMERCIAL PAPER NOTES**

**Adopted on May 20, 1997, as amended and restated on September 21, 1999**

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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

TABLE OF CONTENTS

Page

ARTICLE XII

DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION

Section 12.01. <u>Definitions</u> .....	1
Section 12.02. <u>Letter of Credit as Credit Facility</u> .....	4
Section 12.03. <u>Fees and Expenses of Banks, Trustee and Issuing and Paying Agent</u> .....	4
Section 12.04. <u>General Authorization</u> .....	4
Section 12.05. <u>Ratification of the 1997 Resolution</u> .....	4

ARTICLE XIII

THE COMMERCIAL PAPER NOTES

Section 13.01. <u>Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes</u> .....	4
Section 13.02. <u>Payment</u> .....	5
Section 13.03. <u>Authentication of Commercial Paper Notes</u> .....	5
Section 13.04. <u>Forms of Commercial Paper Notes and Authentication Certificate</u> .....	6
Section 13.05. <u>Book-Entry System</u> .....	6
Section 13.06. <u>Conditions Precedent to Delivery of Commercial Paper Notes</u> .....	7
Section 13.07. <u>Commercial Paper Notes</u> .....	9

ARTICLE XIV

APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS

Section 14.01. <u>Establishment and Designation of Accounts</u> .....	9
Section 14.02. <u>Deposit of Proceeds of Commercial Paper Notes</u> .....	9
Section 14.03. <u>Application of Moneys in the Construction Account</u> .....	10
Section 14.04. <u>Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account</u> .....	10
Section 14.05. <u>Drawings Under the Letter of Credit</u> .....	11

ARTICLE XV

THE BANK NOTES

Section 15.01. <u>Authorization and Terms of Bank Notes</u> .....	11
Section 15.02. <u>Issuance of Bank Notes</u> .....	11
Section 15.03. <u>Form of Bank Notes and Authentication Certificate</u> .....	12
Section 15.04. <u>No Transfers of Bank Notes</u> .....	12
Section 15.05. <u>Deposits of Net Revenues in Bank Note Account</u> .....	12



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

ARTICLE XVI

COVENANTS

Section 16.02. <u>Rebate to United States</u> .....	12
Section 16.03. <u>Tax Covenant</u> .....	13
Section 16.04. <u>Taxable Notes</u> .....	13
Section 16.05. <u>Letter of Credit</u> .....	13

ARTICLE XVII

ISSUING AND PAYING AGENT; DEALERS

Section 17.01. <u>Appointment of Issuing and Paying Agent</u> .....	13
Section 17.02. <u>Reports and Records</u> .....	14
Section 17.03. <u>Resignation and Replacement of Issuing and Paying Agent</u> .....	14
Section 17.04. <u>Dealers</u> .....	15

ARTICLE XVIII

MISCELLANEOUS

Section 18.01. <u>Substitute Letter of Credit</u> .....	15
Section 18.02. <u>Timeliness of Deposits</u> .....	15
Section 18.03. <u>Waiver of Events of Default</u> .....	15
Section 18.04. <u>Defeasance of Commercial Paper Notes</u> .....	15
Section 18.05. <u>Banks to Control Remedies</u> .....	16
Section 18.06. <u>Payments or Actions Occurring on Non-Business Days</u> .....	16
Section 18.07. <u>Notices to Rating Agencies</u> .....	16
Section 18.08. <u>Effective Date</u> .....	16

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

## First Supplemental Resolution Providing for the Issuance of Not to Exceed \$400,000,000 Aggregate Principal Amount of San Francisco International Airport Subordinate Commercial Paper Notes

WHEREAS, the Airport Commission of the City and County of San Francisco (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 previously supplemented and amended, including as supplemented by Resolution No. 97-0147, as amended and restated by this Resolution No. 99-\_\_\_, on September 21, 1999 (herein called the "First Supplemental Resolution"), is herein called the "1997 Resolution"); and

WHEREAS, the 1997 Resolution provides that the Commission may issue Bonds, including commercial paper notes, from time to time as the issuance thereof is authorized by the Commission; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance of one or more additional Series of Bonds in the form of commercial paper notes in an aggregate principal amount of not to exceed Four Hundred Million Dollars (\$400,000,000) for the purpose of financing the construction, acquisition, equipping and development of capital improvements at the Airport (the "Projects"); and

WHEREAS, this First Supplemental Resolution, as originally adopted by the Commission, provided for the issuance of the Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A (herein called the "Series A Notes") and the Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B (herein called the "Series B Notes"); and

WHEREAS, the Commission has determined that it is necessary and desirable to amend and restate this First Supplemental Resolution to provide for a third Series of Commercial Paper Notes to be designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series C" (herein called the "Series C Notes") for the purpose of financing the costs of construction, acquisition, equipping and development of capital improvements, which costs are not eligible for financing by obligations the interest on which is excludable from gross income under Section 103(a) of the Code;

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

### ARTICLE XII

#### DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION

Section 12.01. **Definitions.** Except as otherwise defined in this First Supplemental Resolution, capitalized terms herein shall have the meanings assigned thereto in Section 1.01 of the 1997 Resolution. The following definitions shall apply to terms used in this First Supplemental Resolution, unless the context clearly requires otherwise:

"Administrative Agent" means Bayerische Landesbank Girozentrale, acting through its New York Branch, as administrative agent for the Banks with respect to the initial Letter of Credit, and any successor as such administrative agent.

"Advances" means payments made by the Bank or Banks as a result of draws made on the Letter of Credit to pay principal of and interest on the Commercial Paper Notes.

"Available Moneys" means moneys which are continuously on deposit with the Trustee or the Issuing and Paying Agent in trust for the benefit of the holders of the Commercial Paper Notes in a separate and segregated account in which only Available Moneys are held, which moneys constitute proceeds of (i) the Commercial Paper Notes received contemporaneously with the initial issuance and sale of the Commercial Paper Notes, (ii) a drawing under the Letter of Credit or payments otherwise made under a substitute Letter of Credit, (iii) refunding obligations for which the Trustee has received a written opinion of nationally recognized counsel experienced in bankruptcy

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

matters and acceptable to the Trustee and the Rating Agencies to the effect that payment of such moneys to the holders of the Commercial Paper Notes would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code if the Commission were to become a debtor under the United States Bankruptcy Code or (iv) the investment of funds qualifying as Available Moneys under the foregoing clauses.

"Bank" means each of Bayerische Landesbank Girozentrale, acting through its New York Branch and Morgan Guaranty Trust Company of New York, which are issuing the initial Letter of Credit on a several basis, or any other entity that is the issuer of a Letter of Credit then outstanding and effective hereunder. "Banks" means collectively, all of the Banks.

"Bank Note" means a note or notes issued by the Commission pursuant to Section 15.01 hereof and evidencing all or any portion of any unreimbursed Advances made by a Bank and designated as "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes, (insert name of Bank) Series."

"Bank Note Payment Date" means a date on which principal of or interest on a Bank Note is due and payable, including both scheduled principal and interest and principal and interest payable upon prepayment of a Bank Note.

"Bank Rate" shall have the meaning assigned to that term in the Reimbursement Agreement.

"Business Day" means any day other than (i) a Saturday, Sunday or other day on which commercial banks in New York, New York, San Francisco, California or the city in which is located the office of the Bank at which demands for a draw on the Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

"Commercial Paper Notes" or "Notes" means all Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes authorized to be issued from time to time under the 1997 Resolution and this First Supplemental Resolution, including Commercial Paper Notes issued as Series A Notes, Commercial Paper Notes issued as Series B Notes and Commercial Paper Notes issued as Series C Notes.

"Dealer" means each of Goldman, Sachs & Co., Artemis Capital Group Inc., and BT Securities Corp., or any successor or assigns permitted under the Dealer Agreement or any other dealer for the Commercial Paper Notes which is appointed by the Commission and has entered into a Dealer Agreement.

"Dealer Agreement" means each Dealer Agreement, by and between the Commission and a Dealer, and any and all modifications, alterations, amendments and supplements thereto, or any other Dealer Agreement entered into by the Commission and a Dealer with respect to the Commercial Paper Notes.

"Designated Representative" means the Airport Director, the Deputy Director for Business and Finance and those additional individuals designated pursuant hereto to complete and deliver Issuance Requests and who have been identified and whose signatures have been certified in a certificate of an Authorized Commission Representative delivered to the Issuing and Paying Agent.

"Expiration Date" means the date of expiration of the Letter of Credit then in effect.

"Interest Advances" means Advances drawn and used to pay interest on Commercial Paper Notes.

"Issuance Request" means a request made by the Commission, acting through a Designated Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes.

"Issuing and Paying Agent" means The Chase Manhattan Bank, or any successor or assigns permitted under the Issuing and Paying Agent Agreement or any other Issuing and Paying Agent which is appointed by the Commission and has entered into an Issuing and Paying Agent Agreement. "Principal Office" of the Issuing and Paying Agent means the office thereof designated in writing to the Commission and the Trustee.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 99-0299**

"Issuing and Paying Agent Agreement" means the Issuing and Paying Agent Agreement, dated as of May 1, 1997, between the Commission and the Issuing and Paying Agent, and any and all modifications, alterations, amendments and supplements thereto, or any other Issuing and Paying Agent Agreement entered into by the Commission and the Issuing and Paying Agent with respect to the Commercial Paper Notes.

"Letter of Credit" means the direct pay Irrevocable Letter of Credit issued by the Banks to the Issuing and Paying Agent on or prior to the date of issuance of the first Commercial Paper Note and any substitute letter of credit accepted by the Issuing and Paying Agent as provided in Section 18.01 hereof.

"Maximum Rate" means twelve percent (12%) per annum or such higher interest rate as may be permitted by applicable law.

"No-Issuance Notice" shall have the meaning assigned thereto in the Reimbursement Agreement.

"Note Depository" means the securities depository for a Series of Commercial Paper Notes appointed as such pursuant to Section 13.05, and its successors and assigns.

"Note Proceeds" means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

"Principal Advances" means Advances drawn and used to pay principal on Commercial Paper Notes.

"Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement, dated as of May 1, 1997, by and among the Commission and the Banks, and any and all modifications, alterations, amendments and supplements thereto and any similar document entered into with respect to a subsequent Letter of Credit.

"Series A Notes" means the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A."

"Series A Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed in whole or in part with the proceeds of the Series A Notes, as from time to time amended, as provided in Section 14.03(a) hereof, and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed with proceeds of the sale of Series A Notes.

"Series B Notes" means the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B."

"Series B Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed in whole or in part with the proceeds of the Series B Notes, as from time to time amended, as provided in Section 14.03(a) hereof and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed with proceeds on the sale of Series B Notes.

"Series C Notes" means the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series C."

"Series C Project" means any undertaking, facility or item which is listed or otherwise described in a certificate signed by an Authorized Commission Representative as being financed in whole or in part with the proceeds of the Series C Notes, as from time to time amended, as provided in Section 14.03(a) hereof and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed with proceeds on the sale of Series C Notes.

"Specified Event of Default" means an Event of Default described in subsection (a), (b), (c), (f) or (g) of Section 7.01 of the 1997 Resolution, which Event of Default has not been cured.

"Stated Amount" means the Stated Amount as defined in the Letter of Credit.

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

"Termination Date" means the sixteenth day prior to the Expiration Date.

Section 12.02. Letter of Credit as Credit Facility. The Commission hereby designates the Letter of Credit as a "Credit Facility" and the Reimbursement Agreement as a "Credit Facility Agreement" and the Banks as "Credit Providers" for the purposes of the 1997 Resolution.

Section 12.03. Fees and Expenses of Banks, Trustee and Issuing and Paying Agent. Operation and Maintenance Expenses shall include the fees and expenses of the Banks, the Trustee and the Issuing and Paying Agent, but shall not include payments of principal of, or interest on, Bank Notes.

Section 12.04. General Authorization. The appropriate officers, agents and employees of the Commission are each hereby authorized and directed for and in the name and on behalf of the Commission to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of one or more Series of Commercial Paper Notes in accordance with the provisions hereof and of the 1997 Resolution.

Section 12.05. Ratification of the 1997 Resolution. This First Supplemental Resolution and all the terms and provisions herein contained shall form part of the 1997 Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the 1997 Resolution. The 1997 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented to the date hereof, including as supplemented by this First Supplemental Resolution.

## ARTICLE XIII

### THE COMMERCIAL PAPER NOTES

Section 13.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.

(a) No Commercial Paper Notes may be issued under the provisions of this First Supplemental Resolution except in accordance with this Article.

(b) The Commission hereby authorizes the issuance of its "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A, "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B" and "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series C" subject to the provisions of this Section 13.01 and as hereinafter provided. The Series A Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series A Projects, the Series B Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series B Projects, and the Series C Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series C Projects. Proceeds of Commercial Paper Notes issued to refinance other Commercial Paper Notes may be used to pay or reimburse the Banks for Advances used to pay principal or interest due on such maturing Commercial Paper Notes; *provided, however*, that proceeds of Series A Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series A Notes, proceeds of Series B Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series B Notes and proceeds of Series C Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series C Notes. Such authorization specifically includes the authorization to issue and reissue Commercial Paper Notes for such purposes. The aggregate principal amount of Commercial Paper Notes that may be Outstanding at any one time hereunder shall not at any time exceed the lesser of (i) \$400,000,000 and (ii) the Principal Component (as defined in the Letter of Credit) then available under the Letter of Credit. At no time shall the aggregate amount of interest payable on the Outstanding Commercial Paper Notes exceed the Interest Component (as defined in the Letter of Credit) then available under the Letter of Credit.

(c) The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer or registered form, as shall be determined by the Airport Director, shall be issued in

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

denominations of \$100,000 and in integral multiples of \$5,000 in excess thereof; and interest on the Commercial Paper Notes shall be separately stated by rate and amount on the face of each Commercial Paper Note. Commercial Paper Notes shall bear interest from their respective dates, payable on their respective maturity dates.

(d) Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), which shall not in any event exceed the Maximum Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Termination Date, and (iii) shall be sold by the Dealers pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this First Supplemental Resolution, shall be as set forth in the Issuance Request required by Section 13.06 hereof directing the issuance of such Commercial Paper Note.

(e) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(f) The Series A Notes, the Series B Notes and the Series C Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

(g) Commercial Paper Notes which are issued to finance or refinance Series A Projects shall be designated as Series A Notes. Commercial Paper Notes which are issued to finance or refinance Series B Projects shall be designated as Series B Notes. Commercial Paper Notes which are issued to finance or refinance Series C Projects shall be designated as Series C Notes.

(h) The Commercial Paper Notes shall constitute Bonds within the meaning of the 1997 Resolution and the Series A Notes, the Series B Notes and the Series C Notes, collectively, shall constitute a single Commercial Paper Program within the meaning of the 1997 Resolution.

**Section 13.02. Payment.** The Commission covenants to duly and punctually pay or cause to be paid from Net Revenues in accordance with the 1997 Resolution, the principal of and interest on each and every Commercial Paper Note when due. To the extent Advances made by the Bank for the purpose of paying principal of and interest on maturing Commercial Paper Notes together with Note Proceeds from Commercial Paper Notes issued on such date are insufficient to pay principal of and interest on maturing Commercial Paper Notes, the Commission will make all payments of interest and principal directly to the Issuing and Paying Agent in immediately available funds on or prior to 1:30 p.m., New York City time, on the date payment is due on any Commercial Paper Note. To the extent principal of and/or interest on Commercial Paper Notes is paid with an Advance, the Issuing and Paying Agent is authorized and directed to use amounts paid by the Commission to reimburse the Banks. The principal of and the interest on the Commercial Paper Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable provided that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 3:00 p.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 3:00 p.m. (New York City time) on a Business Day, payment therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

**Section 13.03. Authentication of Commercial Paper Notes.** The Issuing and Paying Agent is by this First Supplemental Resolution, designated by the Commission as an Authenticating Agent, Registrar and Paying Agent for the Commercial Paper Notes in accordance with the terms of Section 8.12 of the 1997 Resolution. Notwithstanding

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

anything herein to the contrary, the Issuing and Paying Agent shall not authenticate Commercial Paper Notes which mature later than the Termination Date, and the Issuing and Paying Agent shall not authenticate Commercial Paper Notes if a Specified Event of Default then exists of which it has actual knowledge or the Issuing and Paying Agent has received a No-Issuance Notice.

If any Commercial Paper Notes are to be issued in bearer form, the Commission shall from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, each of which shall have attached such number of carbon copies as the Issuing and Paying Agent shall reasonably specify. When any Commercial Paper Notes are delivered to the Issuing and Paying Agent by the Commission, the Issuing and Paying Agent shall execute and deliver to the Commission a receipt therefor and shall hold such Commercial Paper Notes for the account of the Commission in safekeeping in accordance with its customary practice.

Section 13.04. Forms of Commercial Paper Notes and Authentication Certificate. The definitive Series A Notes, Series B Notes and Series C Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be required or appropriate in order to accomplish the purpose of the transaction authorized by the 1997 Resolution and this First Supplemental Resolution.

The Commercial Paper Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 13.05. Book-Entry System. Unless the Airport Director or his designee determines that a Series of Commercial Paper Notes shall be issued in bearer form or registered form other than in book-entry form, the Commercial Paper Notes shall initially be issued in book-entry form as further provided in this Section 13.05.

(a) The Notes issued pursuant to this First Supplemental Resolution shall initially be issued in the form of a separate single fully-registered Note for each Series of the Commercial Paper Notes. Except as provided in subsection (c) of this Section 13.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 13.06, so long as the Notes remain in the form of one or more master notes in book-entry form, the issuance of Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Trustee, the Issuing and Paying Agent and the Commission may treat the registered owner of each Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Series of Notes to which such Note belongs, giving any notice permitted or required to be given to Noteholders under the 1997 Resolution, registering the transfer of Notes, obtaining any consent or other action to be taken by Noteholders, and for all other purposes whatsoever, and neither the Trustee, the Issuing and Paying Agent nor the Commission shall be affected by any notice to the contrary.

Neither the Trustee, the Issuing and Paying Agent nor the Commission shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant; or any other person who is not shown on the registration books as being a Noteholder, with respect to (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Noteholders under the 1997 Resolution; (iv) any consent given or other action taken by the Note Depository as Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on the Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent and the Trustee of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article XIII shall refer to such new Nominee.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 99-0299**

(b) In order to qualify each Series of Commercial Paper Notes for the Note Depository's book-entry system, the appropriate officers or employees of the Commission are hereby authorized to execute, seal, countersign and deliver on behalf of the Commission to the Note Depository for each Series of Commercial Paper Notes, a Representation Letter from the Commission representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 13.05 or in any other way impose upon the Commission any obligation whatsoever with respect to persons having beneficial ownership interests in the Commercial Paper Notes other than the Noteholders.

(c) In the event (i) the Note Depository determines not to continue to act as securities depository for a Series of Commercial Paper Notes, or (ii) the Commission determines that the Note Depository shall no longer so act and delivers a written certificate to the Issuing and Paying Agent and the Trustee to that effect, then the Commission will discontinue the book-entry system with the Note Depository for such Series of Notes. If the Commission determines to replace the Note Depository for a Series of Commercial Paper Notes with another qualified securities depository, the Commission shall prepare or direct the preparation of a new, single, separate, fully registered Note of such Series for such Series of Notes registered in the name of such successor or substitute qualified Note Depository or its Nominee, or make such other arrangements acceptable to the Trustee, the Issuing and Paying Agent and such successor or substitute Note Depository as are not inconsistent with the terms of this Supplemental Resolution. If the Commission fails to identify another qualified Note Depository to replace the incumbent Note Depository for a Series of Commercial Paper Notes, then such Series of Notes shall no longer be restricted to being registered in the bond registration books in the name of the incumbent Note Depository or its Nominee, but shall be registered in whatever name or names the incumbent Note Depository or its Nominee transferring or exchanging such Series of Notes shall designate.

(d) Notwithstanding any provision of the 1997 Resolution to the contrary, so long as the Commercial Paper Notes are registered in the name of the Nominee, all payments with respect to principal of and interest on the Commercial Paper Notes and all notices with respect to the Commercial Paper Notes shall be made and given, respectively, as provided in the Representation Letter for the related Series of Notes or as otherwise instructed by the Note Depository.

(e) The initial Note Depository with respect to each Series of Commercial Paper Notes shall be DTC. The initial Nominee with respect to each Series of Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

**Section 13.06: Conditions Precedent to Delivery of Commercial Paper Notes.**

(a) Prior to the issuance of each Series of Commercial Paper Notes hereunder, Commercial Paper Notes of such Series shall be executed by the Commission and delivered to the Issuing and Paying Agent, who shall hold such Commercial Paper Notes unauthenticated in safekeeping for the Commission. Subject to the provisions of Sections 13.01 and 13.05 hereof and paragraphs (c) and (d) of this Section 13.06, at any time and from time to time prior to the Termination Date, Commercial Paper Notes shall be manually authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 1:00 p.m. (New York City time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include: (i) the principal amount and date of each Commercial Paper Note then to be delivered; (ii) the rate and amount of interest thereon; (iii) the maturity date thereof; (iv) whether the Commercial Paper Notes to be issued shall be Series A Notes, Series B Notes or Series C Notes; and (v) if the Commercial Paper Notes are sold at a premium, the purchase price of the Notes. No later than 12:30 p.m. on each Business Day on which the Commission proposes to issue Commercial Paper Notes, each Dealer shall report to the Commission each transaction made with or arranged by it or shall notify the Commission and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase.

Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing), the Issuing and Paying Agent shall, by 2:15 p.m. (New York City time) on such day, complete each Series A Note, each Series B Note and each Series C Note then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the Dealer upon receipt of



# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

payment therefor; *provided, however*, that no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if such delivery would result in the aggregate principal amount of Commercial Paper Notes Outstanding being in excess of the lesser of (i) \$400,000,000 and (ii) the Principal Component (as defined in the Letter of Credit) then available under the Letter of Credit, or would result in the aggregate amount of interest payable on Outstanding Commercial Paper Notes to exceed the Interest Component then available under the Letter of Credit. Notwithstanding any provision herein to the contrary, no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if (A) it shall have received notice from a Designated Representative directing the Issuing and Paying Agent to cease authenticating and delivering Commercial Paper Notes until such time as such direction is withdrawn by similar notice, (B) it shall have actual knowledge that a Specified Event of Default shall have occurred and be continuing, (C) it shall have received notice from Bond Counsel that their opinion regarding the exclusion of interest on the Commercial Paper Notes (other than Commercial Paper Notes designated as taxable Notes pursuant to Section 16.04) from the gross income for federal tax purposes of the holders thereof is being withdrawn, (D) the maturity date of such Commercial Paper Notes would extend beyond the Termination Date or (E) the Trustee and the Issuing and Paying Agent shall have received a No-Issuance Notice. If an Issuance Request is received after 1:00 p.m. (New York City time) on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Commercial Paper Notes until the next succeeding Business Day.

The Commission shall, upon a change in the identity of its Designated Representatives, provide a certificate for each new Designated Representative to the Issuing and Paying Agent.

A copy of each Commercial Paper Note authenticated in bearer form by the Issuing and Paying Agent shall be promptly mailed by U.S. mail, first class, postage prepaid, to the Commission and the Trustee by the Issuing and Paying Agent. The Issuing and Paying Agent shall furnish the Commission with such additional information with respect to the carrying out of its duties hereunder as the Commission from time to time shall reasonably request.

(b) In addition to the Issuance Request described above in this Section 13.06, and as a further condition to the issuance of any Commercial Paper Notes, the Designated Representative shall certify to the Issuing and Paying Agent that, as of the date of delivery of such Commercial Paper Notes, (i) the Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding hereunder as provided in Section 13.01(b) hereof; (iii) the interest rates borne by the Commercial Paper Notes to be delivered on such date does not exceed the lesser of the Maximum Rate or the rate used in calculating the Interest Component of the Letter of Credit, (iv) unless the Commercial Paper Notes to be issued are taxable, the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date; (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Termination Date; (vi) the Commission has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereof delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealers has been delivered; (vii) no Specified Event of Default has occurred and is then continuing; and (viii) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in this Section 13.06 of this First Supplemental Resolution have been satisfied.

The delivery of any Issuance Request to the Issuing and Paying Agent by a Designated Representative in the manner provided in this Section shall constitute the certification and representation of the Commission as of the date of such Issuance Request as to the matters set forth in the immediately preceding paragraph.

(c) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and confirmed promptly in writing by a Designated Representative; *provided, however*, that the failure so to confirm any such Issuance Request, or any conflict between any such recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

(d) Prior to the initial delivery of the Commercial Paper Notes under this First Supplemental Resolution and as a condition to such initial issuance, the Trustee and the Commission shall be notified by the Issuing and Paying Agent that the Issuing and Paying Agent has received:

(i) A fully executed counterpart of the Reimbursement Agreement;

(ii) The executed Letter of Credit;

(iii) The opinions of the United States counsel (and foreign counsel if the Bank is a United States branch or agency of a bank organized under the laws of a country other than the United States) to each Bank, addressed to the Commission, the Issuing and Paying Agent and the Trustee, to the effect that the Letter of Credit is a valid and binding obligation of the Bank, enforceable in accordance with its terms; and

(iv) The Dealer Agreements.

Section 13.07 Commercial Paper Notes. The Commission, the Trustee and the Issuing and Paying Agent may deem and treat the bearer of Notes in bearer form or the registered owner of Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Commission, the Trustee nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

## ARTICLE XIV

### APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS

#### Section 14.01. Establishment and Designation of Accounts.

(a) An account within the Construction Fund established pursuant to Section 4.01 of the 1997 Resolution is hereby established and designated as the "Commercial Paper Construction Account" and herein called the "Construction Account".

(b) The following accounts within the 1997 Resolution Debt Service Fund established pursuant to Section 5.02(b) of the 1997 Resolution are hereby established, and the Issuing and Paying Agent shall hold such accounts in accordance with the 1997 Resolution and the Issuing and Paying Agent Agreement:

(1) "Commercial Paper Debt Service Account," with subaccounts therein designated as the "Series A Debt Service Account," the "Series B Debt Service Account" and the "Series C Debt Service Account";

(2) "Commercial Paper Bank Payment Account" and herein called the "Bank Payment Account," with subaccounts therein designated as the "Series A Bank Payment Account," the "Series B Bank Payment Account" and the "Series C Bank Payment Account"; and

(3) Bank Note Debt Service Account and herein called the "Bank Note Account".

(c) The Commission hereby determines not to establish an account within the 1997 Resolution Reserve Fund for the benefit of the Noteholders.

Section 14.02. Deposit of Proceeds of Commercial Paper Notes. Immediately upon receipt thereof, the Issuing and Paying Agent shall first deposit the proceeds of the sale of the Commercial Paper Notes into the related subaccount of the Bank Payment Account in an amount equal to the unreimbursed Advances made by the Banks to pay principal of or interest on the Commercial Paper Notes of such Series and shall then transfer the remaining proceeds to the Treasurer for deposit in the Construction Account.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

Section 14.03. Application of Moneys in the Construction Account.

(a) Moneys in the Construction Account attributable to each Series shall be applied to the payment of the Project Costs for such Series. The Commission may from time to time amend the list of Series A Projects or Series B Projects in the Tax Certificate; *provided, however*, that the Commission shall not amend the list of Series A Projects or Series B Projects in such a way as to change the tax status of the related Series of Commercial Paper Notes. The Commission may from time to time amend the list of Series C Projects in the certificate of the Commission.

(b) The Treasurer is hereby authorized to disburse from the Construction Account the amount required for the payment of Project Costs and is directed to make such disbursements upon receipt of a warrant drawn by the Controller.

(c) Moneys held in the Construction Account shall be invested by the Treasurer in Permitted Investments as directed by an Authorized Commission Representative.

Section 14.04. Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account.

(a) On or before 1:30 p.m. New York City time, on the maturity of each Note, the Commission shall deposit from Net Revenues available therefor pursuant to Section 5.05(c) and Section 5.06(b)(ii) of the 1997 Resolution with the Issuing and Paying Agent for deposit in the Bank Payment Account, an amount sufficient, together with all other amounts available to the Issuing and Paying Agent in the related Series subaccount of the Bank Payment Account to pay principal of and interest due on all Notes on such maturity date. The Issuing and Paying Agent shall notify the Commission on or before 5:00 p.m. New York City time, on the Business Day prior to such maturity date, of the total amount due on such maturity date.

(b) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Series A Notes shall be deposited into the Series A Debt Service Account of the Commercial Paper Debt Service Account and used to pay the principal of and interest on such maturing Series A Notes upon the proper presentment thereof.

(c) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Series B Notes shall be deposited into the Series B Debt Service Account of the Commercial Paper Debt Service Account and used to pay the principal of and interest on such maturing Series B Notes upon the proper presentment thereof.

(d) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Series C Notes shall be deposited into the Series C Debt Service Account of the Commercial Paper Debt Service Account and used to pay the principal of and interest on such maturing Series C Notes upon the proper presentment thereof.

(e) Amounts deposited into the Series A Bank Payment Account with respect to the Series A Notes shall be used, on each day that an Advance is received by the Issuing and Paying Agent and deposited into the Series A Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however*, if, on any maturity date of the Series A Notes, the Advances paid under the Letter of Credit are not sufficient to pay the full amount of the principal of and interest due on such Series A Notes on such date, amounts in the Series A Bank Payment Account shall be used to make the balance of such payment.

(f) Amounts deposited into the Series B Bank Payment Account with respect to the Series B Notes shall be used, on each day that an Advance is received by the Issuing and Paying Agent and deposited into the Series B Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however*, if, on any maturity date of the Series B Notes, the Advances paid under the Letter of Credit are not sufficient to pay the full amount of the principal of and interest due on such Series B Notes on such date, amounts in the Series B Bank Payment Account shall be used to make the balance of such payment.

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

(g) Amounts deposited into the Series C Bank Payment Account with respect to the Series C Notes shall be used, on each day that an Advance is received by the Issuing and Paying Agent and deposited into the Series C Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however*, if, on any maturity date of the Series C Notes, the Advances paid under the Letter of Credit are not sufficient to pay the full amount of the principal of and interest due on such Series C Notes on such date, amounts in the Series C Bank Payment Account shall be used to make the balance of such payment.

(h) Moneys in the Commercial Paper Debt Service Account and the Bank Payment Account shall not be invested.

(i) Any lien that the Issuing and Paying Agent and the Trustee may have on the Advances made by the Bank under the Letter of Credit and Note Proceeds shall be expressly subordinate to the lien on such funds created for the benefit of the holders of the Commercial Paper Notes and the Bank.

Section 14.05. Drawings Under the Letter of Credit. On or before each maturity date for any Commercial Paper Note, the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the Administrative Agent and demand payment be made under the Letter of Credit on such maturity date at such time and in such amount not in excess of the Stated Amount so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes on such date.

## ARTICLE XV

### THE BANK NOTES

#### Section 15.01. Authorization and Terms of Bank Notes.

(a) The Commission hereby authorizes the issuance of one or more series of its "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes," subject to the provisions of this Section 15.01 and as hereinafter provided. A Series of Bank Notes shall be issued for each Bank and designated the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes (insert name of Bank) Series." The Bank Notes shall be issued from time to time as provided herein in the event that any Advance is not reimbursed on the same Business Day such Advance is made. Bank Notes shall be issued in consideration of the payment of the related unreimbursed Advance by a Bank. The aggregate principal amount of Bank Notes that may be Outstanding at any one time hereunder shall not at any time exceed the Stated Amount of the Letter of Credit on its issuance date.

(b) The Bank Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form only; shall be issued in any denomination and shall bear interest at the Bank Rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed); *provided, however*, that the interest rate on the Bank Notes shall never exceed the Maximum Rate. Bank Notes shall bear interest from their respective dates, payable in accordance with the Reimbursement Agreement. Principal of Bank Notes shall be payable in accordance with the Reimbursement Agreement. The final maturity of the Bank Notes shall be no later than such date as may be provided for in the Reimbursement Agreement.

(c) The maturity date and other terms of each Bank Note, so long as not inconsistent with the terms of this First Supplemental Resolution, shall be as set forth in the certificate of an Authorized Commission Representative directing the issuance of such Bank Note.

(d) Each Series of Bank Notes shall be subject to optional prepayment prior to maturity in accordance with, and upon notice as provided by, the Reimbursement Agreement.

(e) Each Series of Bank Notes shall be numbered consecutively from No. 1 upward. The Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

Section 15.02. Issuance of Bank Notes. In the event that any Bank shall have made an Advance that has not been reimbursed by 4:30 p.m. on the same Business Day, such Bank or the Administrative Agent shall provide notice in writing to the Commission, the Issuing and Paying Agent and the Trustee requesting the issuance of a Bank

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

Note and stating: (i) the amount of the Advance that remains unreimbursed; (ii) the final maturity date of such Bank Note; and (iii) the amount of each scheduled principal installment on such Bank Note. Upon receipt of such notice, the Issuing and Paying Agent shall authenticate a Bank Note of the Series specified in such notice and in accordance with such notice and the certificate of an Authorized Commission Representative delivered to the Issuing and Paying Agent pursuant to Section 15.01(c) and shall deliver such Bank Note to or upon the order of the respective Bank.

Section 15.03. Form of Bank Notes and Authentication Certificate. The definitive Bank Notes and the Certificate of Authentication endorsed thereon shall be substantially in the forms set forth in Exhibit B attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be necessary or appropriate in order to accomplish the purpose of the transaction authorized by the 1997 Resolution and this First Supplemental Resolution.

The Bank Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 15.04. No Transfers of Bank Notes. Unless otherwise required by applicable law, the Bank Notes shall be non-negotiable and non-transferable.

Section 15.05. Deposits of Net Revenues in Bank Note Account. In accordance with Section 5.03 and Section 5.06 of the 1997 Resolution, on the Business Day before each Bank Note Payment Date, the Treasurer shall allocate and transfer to the Issuing and Paying Agent for deposit in the Bank Note Account amounts from available Net Revenues, as follows:

- (a) An amount equal to the aggregate amount of interest due and payable on such Bank Note Payment Date on all Bank Notes Outstanding; and
- (b) An amount equal to the aggregate principal amount due and payable on such Bank Note Payment Date on the Outstanding Bank Notes.

Amounts in the Bank Note Account shall be invested by the Issuing and Paying Agent in Permitted Investments in accordance with Section 5.08 of the 1997 Resolution.

The Bank Notes shall not be payable from the proceeds of a Letter of Credit drawing.

ARTICLE XVI

COVENANTS

Section 16.01. No Arbitrage. The Commission shall not take, nor permit to be taken by the Trustee, the Issuing and Paying Agent or otherwise, any action which, if such action had been reasonably expected to have been taken or had been deliberately and intentionally taken on the date of the issuance of any Series of Commercial Paper Notes, would have caused such Series of the Commercial Paper Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations. To that end, the Commission will comply with all requirements of Section 148 of the Code to the extent applicable to each Series of Notes. In the event that at any time the Commission is of the opinion that for purposes of this Section 16.01 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or the Issuing and Paying Agent under this First Supplemental Resolution, the Commission shall so instruct the Trustee or the Issuing and Paying Agent in writing, and the Trustee or the Issuing and Paying Agent, as the case may be, shall take such action as may be necessary in accordance with such instructions.

Section 16.02. Rebate to United States. The Commission will pay or cause to be paid to the United States Government the amounts required by Section 148(f) of the Code and any Regulations promulgated thereunder at the times required thereby. To further the satisfaction of such rebate requirement, there is hereby created, to be held by the Trustee as a separate fund for each Series of Commercial Paper Notes distinct from all other funds and accounts held by the Trustee under the 1997 Resolution, an account in the Rebate Fund designated as the "Series \_\_\_ Rebate Account". The Trustee shall hold any payments received from the Commission for deposit into the Series Rebate

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

Account for each Series of Commercial Paper Notes for purposes of ultimate rebate to the United States, all as more particularly described in the Tax Certificate for such Series. Pending payment to the United States, moneys held in the Series Rebate Account are hereby pledged to secure such payments to the United States as provided herein and in the Tax Certificate, and neither the Commission, the Owners nor any other person shall have any rights in or claim to such moneys. The Trustee shall invest all amounts held in the Series Rebate Accounts in Nonpurpose Investments (as defined in the applicable Tax Certificate), as directed by the Commission in the applicable Tax Certificate.

Computations of the rebate amount and all calculations under this Section and the Tax Certificate shall be furnished by or on behalf of the Commission. The Trustee shall be deemed conclusively to have complied with the provisions of this Section if it follows the directions of the Commission consistent with the provisions of the Tax Certificate. The Trustee shall have no liability or responsibility to enforce compliance by the Commission with the Rebate Requirement. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section, other than from moneys required to be held in the funds and accounts created under the 1997 Resolution, including the Series Rebate Accounts, or from other moneys provided to it by the Commission.

The Commission and the Trustee shall keep and retain, for a period of six (6) years following the retirement of the related Series of Commercial Paper Notes, records of the determinations made pursuant to this Section 16.02.

In order to provide for the administration of this Section 16.02, the Commission may provide for the employment of independent attorneys, accountants and consultants, who shall be selected by the Commission with reasonable care and compensated on such reasonable basis as the Commission may deem appropriate, and the Trustee may rely conclusively upon the opinions, calculations, determinations and advice of such attorneys, accountants and consultants employed hereunder.

**Section 16.03. Tax Covenant.** The Commission shall not use or knowingly permit the use of any proceeds of the Commercial Paper Notes or any other funds of the Commission, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Commercial Paper Notes being treated as an obligation not described in Section 103(a) of the Code. Without limiting the generality of the foregoing, the Commission will comply with all the requirements and covenants contained in the Tax Certificate. This covenant shall survive the payment in full or defeasance of the Commercial Paper Notes.

**Section 16.04. Taxable Notes.** Notwithstanding anything in this Supplemental Resolution to the contrary, in the event the Commission, designates a Series of Commercial Paper Notes as obligations not described in Section 103(a) of the Code, the provisions of Sections 16.01, 16.02 and 16.03 shall not apply to such Series of Commercial Paper Notes. The Commission hereby designates the Series C Notes as obligations not described in Section 103(a) of the Code.

**Section 16.05. Letter of Credit.** The Commission hereby covenants to maintain in effect a Letter of Credit meeting the requirements hereof at all times that Commercial Paper Notes are Outstanding hereunder. The Commission further covenants that if it is unable to obtain a binding commitment for a substitute Letter of Credit at least 60 days prior to the Expiration Date, it shall endeavor to refinance the Series A Projects, the Series B Projects and the Series C Projects through the issuance of its bonds.

**Section 16.06. Reimbursement Agreement.** The Commission hereby covenants to comply with the provisions of the Reimbursement Agreement.

## ARTICLE XVII

### ISSUING AND PAYING AGENT; DEALERS

**Section 17.01. Appointment of Issuing and Paying Agent.** The Commission hereby agrees that at or prior to the time of issuance of the initial Commercial Paper Notes, the Commission will enter into the Issuing and Paying Agent Agreement and that the Commission will at all times prior to the Termination Date maintain in effect an Issuing and Paying Agent Agreement, pursuant to which the Issuing and Paying Agent will agree to hold funds, as provided in this First Supplemental Resolution, and to fulfill the duties and obligations of the Issuing and Paying Agent, as set forth in the First Supplemental Resolution.

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

Section 17.02. Reports and Records. (a) The Issuing and Paying Agent shall at all times keep or cause to be kept proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Notes and all Funds and Accounts established and maintained by the Issuing and Paying Agent pursuant to this First Supplemental Resolution. Such records shall be available for inspection by the Commission on each Business Day upon reasonable notice during reasonable business hours and by any Owner or its agent or representative duly authorized in writing at reasonable hours and under reasonable circumstances. The Issuing and Paying Agent shall not be required to maintain records with respect to transactions made by the Treasurer, the Trustee or the Commission or with respect to Funds and Accounts established and maintained by the Treasurer or the Trustee.

(b) The Issuing and Paying Agent shall provide to the Commission each month a report of the amounts deposited in each Fund and Account held by it under this First Supplemental Resolution and the amount disbursed from such Funds and Accounts, the earnings thereon, the ending balance in each such Fund and Account, the investments in each such Fund and Account and the yield on each investment calculated in accordance with the directions of an Authorized Commission Representative. Such report shall also include such information regarding the issuance of Commercial Paper Notes during the subject month as the Commission shall request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Commission resulting from the Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Commission therein recorded.

Section 17.03. Resignation and Replacement of Issuing and Paying Agent. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this First Supplemental Resolution by giving at least 30 days' written notice to the Administrative Agent, the Trustee and the Commission. The Issuing and Paying Agent may be removed, with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, at any time by an instrument signed by an Authorized Commission Representative and filed with the Issuing and Paying Agent, the Administrative Agent and the Trustee. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected and assumed the duties of the Issuing and Paying Agent hereunder and the Letter of Credit has been transferred to the successor Issuing and Paying Agent in accordance with its terms.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having its principal office in New York, New York and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America or of any state with a combined capital and surplus of at least \$50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 17.04. Dealers. The Commission hereby agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Commission will enter into a Dealer Agreement with each Dealer. The Commission

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

covenants that at all times prior to the Termination Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this First Supplemental Resolution and its Dealer Agreement.

## ARTICLE XVIII

### MISCELLANEOUS

**Section 18.01 Substitute Letter of Credit.** Notwithstanding anything herein to the contrary, the Commission may obtain a substitute Letter of Credit to replace the Letter of Credit then in effect hereunder so long as said substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of the Letter of Credit then in effect, the Expiration Date with respect to such substitute Letter of Credit shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Expiration Date set forth in the Letter of Credit then in effect. The substitute Letter of Credit shall have a Stated Amount (as such term is used in the original Letter of Credit) at least as great as the Letter of Credit being replaced. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a substitute Letter of Credit:

(a) The Commission shall deliver written notice of the proposed substitution to the Trustee, the Issuing and Paying Agent, the Administrative Agent and the Dealers not less than 45 days prior to the substitution date.

(b) There shall be delivered to the Commission, the Trustee and the Issuing and Paying Agent written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes, that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn.

(c) The Issuing and Paying Agent shall deliver written notice to the registered Owners of the Commercial Paper Notes at least 30 days prior to the substitution date. If any Outstanding Note is in bearer form, the Trustee shall publish notice of the substitution of such Letter of Credit in Authorized Newspapers at least 30 days prior to the substitution date.

(d) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the substitute Letter of Credit is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(e) An opinion of Bond Counsel shall be delivered to the effect that the substitution of the Letter of Credit is authorized hereunder and (with respect to Notes other than Notes designated as obligations not described in Section 103(a) of the Code pursuant to Section 16.04) will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Notes.

**Section 18.02. Timeliness of Deposits.** Funds shall be deemed transferred for purposes of timeliness of receipt under this First Supplemental Resolution when transfer instructions for transfer by federal reserve wire have been given and a federal wire number confirmation has been received; provided that the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

**Section 18.03. Waiver of Events of Default.** No Event of Default with respect to the Commercial Paper Notes or the Bank Notes shall be waived pursuant to Section 7.10(c) unless after such waiver the reinstatement provisions of the Letter of Credit shall be in full force and effect.

**Section 18.04. Defeasance of Commercial Paper Notes.** Commercial Paper Notes shall not be deemed to have been paid in full within the meaning of Article X of the 1997 Resolution unless payment of the principal of, and interest on the Commercial Paper Notes either (a) shall have been made or caused to be made in accordance with the terms of the Commercial Paper Notes and the 1997 Resolution or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (i) Available Moneys sufficient to make such payment and/or (ii) noncallable Government Obligations purchased with Available Moneys, 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.



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

Section 18.05. Banks to Control Remedies. Pursuant to Section 7.13 of the 1997 Resolution, while each Letter of Credit is in effect, so long as a Bank is not Insolvent and is not in default under its Letter of Credit, no remedy under the 1997 Resolution with respect to the Commercial Paper Notes may be pursued without the prior written consent of such Bank. Each Bank shall have the right to direct the Trustee to pursue any right, power, or remedy available under the 1997 Resolution with respect to the assets, if any, available under the 1997 Resolution which secure no Bonds other than the Bonds secured by the Letter of Credit. If, at any time, more than one Bank is eligible to exercise the powers provided in this Section 18.05, the Trustee must obtain the consent of all eligible Banks when consent of a Bank is required, and the Trustee need not follow any direction in accordance with the preceding sentence unless such direction is approved in writing by all eligible Banks.

Section 18.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period; *provided, however*, that this Section 18.06 shall not apply to Bank Notes.

Section 18.07. Notices to Rating Agencies. The Commission shall provide the Rating Agencies with written notice of the occurrence of the following events: (i) changes in Dealers, (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to the 1997 Resolution pursuant to Section 9.02, (iv) the expiration, termination, substitution or extension of a Letter of Credit, and (v) the defeasance of all Outstanding Commercial Paper Notes. Notices to Moody's shall be addressed as follows (or as provided in any subsequent notice to the Commission) Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Structured Finance Group.

Section 18.08. Effective Date. This amended and restated First Supplemental Resolution shall become effective upon receipt by the Commission in writing of all consents required for the amendment of the First Supplemental Resolution as originally adopted by the Commission.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

AMENDED AND RESTATED by the Airport Commission of the City and County of San Francisco this 21<sup>st</sup> day of September, 1999, by the following vote:

Ayes: 5

Noes: 0

Absent: 0

[SEAL]

Approved as to Form:

LOUISE H. RENNE  
City Attorney of the City and  
County of San Francisco

By \_\_\_\_\_  
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of \_\_\_\_\_

SEP 21 1999

Page 17 of 17

  
Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

EXHIBIT A

(Form of Master Note)

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE COMMERCIAL PAPER NOTES  
SERIES\_\_

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$ \_\_\_\_\_ Outstanding

The AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (hereinafter called the "Commission"), for value received, hereby promises to pay (but only out of the Net Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Commission (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by The Chase Manhattan Bank, as Issuing and Paying Agent (the "Issuing and Paying Agent"). Interest shall be calculated on the basis of actual days elapsed in a 365 or 366 day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Net Revenues (as defined in the Resolution referred to hereinafter) and payments of drawings under an irrevocable direct pay Letter of Credit of \_\_\_\_\_, acting through its New York Branch, by [wire transfer] to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Note is one of a duly authorized issue of San Francisco International Airport Second Series Subordinate Revenue Bonds of the Commission (hereinafter called the "Obligations") of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate principal amount and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Resolution hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter and the Administrative Code of the City and County of San Francisco (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Note, Series \_\_," (hereinafter called the "Series \_\_ Notes"), limited to \$ \_\_\_\_\_ in aggregate principal amount. This Note is issued pursuant to a resolution of the Commission, adopted May \_\_, 1997, as amended and supplemented, including as supplemented by the First Supplemental Resolution adopted \_\_\_\_\_, 1997, and amended and restated on \_\_\_\_\_, 1999, providing for the issuance of the Obligations, including the Series \_\_ Notes, the Series \_\_ Notes and the Series \_\_ Notes, in the aggregate principal amount of \$ \_\_\_\_\_, (hereinafter collectively called the "Resolution").

Reference is hereby made to the Resolution and to the Act for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Resolution, and the rights of the registered owners of the Obligations; and all the terms of the Resolution and the Act are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. Additional series of Obligations may be issued on a parity with the Notes of this authorized Series, but only subject to the conditions and limitations contained in the Resolution.

A-1

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

This Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Resolution (and to the extent set forth in the Resolution), is payable from, and is secured by a charge and lien on, the Net Revenues derived by the Commission from the Airport (as those terms are defined in the Resolution).

The Obligations are special obligations of the Commission, and are payable, both as to principal and interest, out of the Net Revenues pertaining to the Airport and the moneys in the Funds and Accounts provided in the Resolution, subject to the prior payment of principal of and interest on the 1991 Resolution Bonds, and not out of any other fund or moneys of the Commission. No holder of this Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Note or the interest hereon.

At the request of the registered owner, the Commission shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note. This Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Series \_\_ Note or Series \_\_ Notes without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Commission, Chase Trust Company of California, as Trustee (herein called the "Trustee"), and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Commission and of the registered owners of the Obligations may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Resolution, provided that no such modification or amendment shall (i) extend the stated maturity of any Obligation, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, or change the currency for any payment of principal thereof or redemption premium or interest thereon, without the consent of the holder of each Obligation so affected, or (ii) reduce the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification or permit the creation of a lien upon the Net Revenues prior to or on a parity with the lien of the Resolution, without the consent of the holders of all of the Obligations then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Obligation without the consent of the registered owner of each Obligation not receiving such preference or priority.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Note, together with all other indebtedness of the Commission pertaining to the Airport, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Resolution.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Note is a valid and binding obligation of Commission.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 39-0299

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said City and County to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

By

President

Countersigned:

Secretary of the Commission

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 39-0299**

**CERTIFICATE OF AUTHENTICATION**

This is the Master Note described in the within-mentioned Resolution.

**THE CHASE MANHATTAN BANK, as Issuing and Paying Agent**

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

**FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto**

\_\_\_\_\_  
(Name, address, and Taxpayer Identification Number of Assignee)  
**this Master Note and all rights thereunder, hereby irrevocably constituting and appointing**  
\_\_\_\_\_  
attorney to transfer said Master Note on the books of the Commission with full  
power of substitution in the premises.

Dated:  
Signature(s) Guaranteed

\_\_\_\_\_  
(Signature)  
Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

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

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 39-0299

EXHIBIT B

(Form of Bank Note)

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE REVENUE NOTES  
\_\_\_\_\_ SERIES

Dated Date                      Principal Payment                      Final Maturity Date

Registered Owner:

Original Principal Sum:

The AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (hereinafter called the "Commission"), for value received, hereby promises to pay (but only out of the Net Revenues hereinafter referred to) to the registered owner hereinabove named, on each January \_\_, April \_\_, July \_\_, and October \_\_, commencing \_\_\_\_\_, to and including the final maturity date hereinabove stated (each a "Payment Date") (subject to any right of prior prepayment hereinafter mentioned) the principal payment hereinabove stated together with interest on the principal balance outstanding from its dated date until the principal hereof shall have been paid, at the applicable Bank Rate (as defined in that certain Letter of Credit and Reimbursement Agreement, dated as of \_\_, \_\_, by and among the Commission and \_\_\_\_\_, as \_\_\_\_\_ (hereinafter called the "Agreement")) payable on each Payment Date, by wire transfer to \_\_\_\_\_. Payment of the principal of this Note at final maturity or prepayment price upon prior prepayment in full of this Note shall be made upon surrender hereof at the office of The Chase Manhattan Bank, as Issuing and Paying Agent in New York, New York. Payment of principal of, and interest on, this Note shall be made in any lawful currency of the United States of America. Interest on this Note shall be calculated on the basis of a 365 or 366 day year and actual days elapsed.

This Note is one of a duly authorized issue of San Francisco International Airport Second Series Subordinate Revenue Notes of the Commission (hereinafter called the "Obligations") of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate principal amount and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Resolution hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter and the Administrative Code of the City and County of San Francisco (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Note, \_\_\_\_\_ Series" (hereinafter called the "Series \_ Notes"), limited to \$\_\_\_\_\_ in aggregate principal amount. This Note is issued pursuant to a resolution of the Commission, adopted May \_\_, 1997, as amended and supplemented, including as supplemented by the First Supplemental Resolution adopted \_\_\_\_\_, 1997, providing for the issuance of the Obligations, including the Series \_ Notes and the Series \_ Notes, in the aggregate principal amount of \$\_\_\_\_\_ (hereinafter collectively called the "Resolution").

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

Reference is hereby made to the Resolution and to the Act for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Resolution, and the rights of the registered owners of the Obligations; and all the terms of the Resolution and the Act are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by its acceptance hereof, consents and agrees. Additional series of Obligations may be issued on a parity with the Notes of this authorized Series, but only subject to the conditions and limitations contained in the Resolution.

This Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Resolution (and to the extent set forth in the Resolution), is payable from, and is secured by a charge and lien on, the Net Revenues derived by the Commission from the Airport (as those terms are defined in the Resolution).

The Obligations are special obligations of the Commission, and are payable, both as to principal and interest, out of the Net Revenues pertaining to the Airport and the moneys in the Funds and Accounts provided in the Resolution, subject to the prior payment of principal of, and interest on, the 1991 Resolution Bonds, and not out of any other fund or moneys of the Commission. No holder of this Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Note or the interest hereon.

The Series \_\_\_ Notes are subject to optional prepayment prior to their respective stated final maturity dates, at the option of the Commission, from any source of available funds, in whole or in part in principal amounts of at least \$100,000, on any date, [and by lot within a maturity], at a prepayment price equal to the principal amount of Series \_\_\_ Notes prepaid), together with accrued interest to the date fixed for prepayment.

The Commission, Chase Trust Company of California, as Trustee (herein called the "Trustee"), and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Commission and of the registered owners of the Obligations may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Resolution, provided that no such modification or amendment shall (i) extend the stated maturity of any Obligation, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, or change the currency for any payment of principal thereof or redemption premium or interest thereon, without the consent of the holder of each Obligation so affected, or (ii) reduce the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification or permit the creation of a lien upon the Net Revenues prior to or on a parity with the lien of the Resolution, without the consent of the holders of all of the Obligations then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Obligation without the consent of the registered owner of each Obligation not receiving such preference or priority.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Note, together with all other indebtedness of the Commission pertaining to the Airport, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Resolution.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Note is a valid and binding obligation of Commission.



**AIRPORT COMMISSION**

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-0299

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said City and County to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

AIRPORT COMMISSION OF THE CITY  
AND COUNTY OF SAN FRANCISCO

By

President

Countersigned:

Secretary of the Commission

**CERTIFICATE OF AUTHENTICATION**

This is one of the Notes described in the within-mentioned Resolution and registered this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

THE CHASE MANHATTAN BANK, as Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory



AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0148

Resolution Providing for a Commercial Paper Program, in an Amount Not to Exceed \$400,000,000 Aggregate Principal Amount at any One Time Outstanding of San Francisco International Airport Subordinate Commercial Paper Notes, in One or More Series, Providing for the Commission to Enter into a Letter of Credit and Reimbursement Agreement, an Issuing and Paying Agent Agreement, One or More Dealer Agreements and other Related Documents, and Providing For the Delegation of the Determination to Issue and Sell Commercial Paper Notes from Time to Time and the Determination of Related Matters to the Airport Director

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), has determined that it is desirable to provide for short-term financing of capital improvements, capitalized interest and related costs at the San Francisco International Airport (the "Airport") through the creation of a commercial paper program and the issuance and reissuance of its San Francisco International Airport Subordinate Commercial Paper Notes in one or more series (the "Notes") under its Resolution No. 97-\_\_\_, as supplemented by its Resolution No. 97-\_\_\_ (the "First Supplemental Resolution"), each adopted by the Commission on \_\_\_\_\_, 1997 (collectively, the "Subordinate Resolution"); and

WHEREAS, the Commission has determined that it is necessary and desirable to enter into an Issuing and Paying Agent Agreement with The Chase Manhattan Bank, as Issuing and Paying Agent (the "Issuing and Paying Agent") to facilitate the issuance, reissuance and payment of the Notes; and

WHEREAS, the Commission has further determined that it is necessary and desirable to enter into a Letter of Credit and Reimbursement Agreement, by and among the Commission and Bayerische Landesbank Girozentrale, acting through its New York Branch ("Bayerische"), and Morgan Guaranty Trust Company of New York, as Co-Agents, and Bayerische, as Administrative Agent (collectively, the "Banks") in order to provide liquidity and credit enhancement for the Notes; and

WHEREAS, the Commission has further determined it is necessary and desirable to enter into one or more Dealer Agreements (each a "Dealer Agreement," and collectively, the "Dealer Agreements") with Goldman, Sachs & Co.; Artemis Capital Group, Inc.; and BT Securities Corp. (each a "Dealer" and collectively, the "Dealers") to provide for the sale of the Notes through the Dealers; and

WHEREAS, the Commission has further determined that it is necessary and desirable to approve the form of an initial Offering Memorandum with respect to the Notes, to be used in connection with the offering and sale from time to time of the Notes by the Dealers; and

WHEREAS, in order to facilitate the timely receipt of funds for the development, acquisition, construction, equipping and financing of capital improvements at the Airport and to achieve the lowest practicable financing costs, the Commission has determined that it is desirable to delegate to the Airport Director the making of certain decisions with respect to the maximum principal amount of each series and the maximum principal amount of the Notes;

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

Section 1. The Airport Director is hereby authorized and directed, for and on behalf of and in the name of the Commission, to enter into an Issuing and Paying Agent Agreement (the "Issuing and Paying Agent Agreement"), by and between the Commission and the Issuing and Paying Agent, substantially in the form

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0148

presented to this meeting and on file with the Secretary, with such changes and additions therein as the Airport Director may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Issuing and Paying Agent Agreement.

Section 2. The Airport Director is hereby authorized and directed, for and on behalf of and in the name of the Commission, to enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the Commission and the Banks, providing among other things for the issuance by the Banks of a letter of credit (the "Letter of Credit") for the account of the Commission in an initial stated amount of Three Hundred Twenty-Six Million Six Hundred Thirty Thousand One Hundred Thirty-Eight Dollars (\$326,630,138) and the reimbursement of the Banks by the Commission for drawings under the Letter of Credit, substantially in the form presented to this meeting and on file with the Secretary, with such changes and additions therein as the Airport Director may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Reimbursement Agreement; *provided, however*, that the maximum stated amount of the Letter of Credit issued pursuant to the Reimbursement Agreement shall not exceed \$400,000,000, plus an interest component not to exceed \$35,506,850.

Section 3. The Airport Director is hereby authorized and directed, for and on behalf of and in the name of the Commission, to determine the maximum principal amounts of each series and the maximum aggregate principal amount from time to time of the Notes; *provided, however*, that the aggregate principal amount of the Notes shall not exceed \$400,000,000 outstanding at any one time and shall not exceed the amount of the principal component of the Letter of Credit at any time. The determinations of the Airport Director provided for in this Section 3 shall be set forth in one or more Certificates of Additional Terms ("Certificate of Additional Terms") to be executed and delivered by the Airport Director, which Certificates of Additional Terms when executed and delivered by the Airport Director, shall constitute a part of the Resolution.

Section 4. The Airport Director is hereby authorized and directed, for and on behalf of and in the name of the Commission, to enter into a Dealer Agreement (the "Dealer Agreement") with each Dealer, substantially in the form presented to this meeting and on file with the Secretary, with such changes and additions as the Airport Director may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery of each Dealer Agreement; *provided, however*, that the fee paid to each Dealer pursuant to its Dealer Agreement shall not exceed seven hundredths percent (.07%) of the average daily outstanding balance of the Notes each year which are allocable to such Dealer.

Section 5. The form of Offering Memorandum with respect to the Notes presented to this meeting and on file with the Secretary is hereby approved. The Dealers are hereby authorized to distribute from time to time to prospective purchasers of the Notes, an Offering Memorandum, in substantially said form with such changes and additions thereto as the Airport Director or his designee shall approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the delivery to the Dealers of the Offering Memorandum. The Airport Director or his designee is hereby further authorized to approve from time to time revised and updated Offering Memoranda, with such changes and additions thereto as the Airport Director shall approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the delivery to the Dealers of said revised Offering Memoranda as so added to or changed.

Section 6. The actions of the officers, agents and employees of the Commission prior to the adoption of this Resolution to consummate the entering into of the Issuing and Paying Agent Agreement, the Reimbursement

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0148

Agreement, the Dealer Agreements and the issuance and sale of the Notes and the consummation of the other transactions contemplated hereby are hereby ratified, approved and confirmed.

Section 7. The officers, agents and employees of the Commission are hereby authorized to take such actions, to sign such documents, and to enter into such agreements as they may deem necessary or desirable in order to consummate the entering into of the Issuing and Paying Agent Agreement, the Reimbursement Agreement, and the Dealer Agreements and the issuance and sale from time to time of the Notes in accordance with the terms hereof and of the Subordinate Resolution.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0148

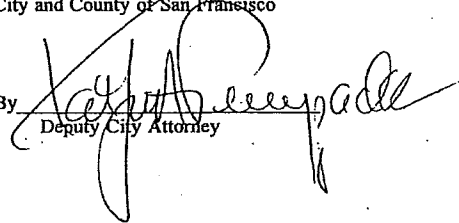
ADOPTED by the Airport Commission of the City and County of San Francisco this 20th day of May, 1997, by the following vote:

Ayes: 5  
Noes: 0  
Absent: 0

[SEAL]

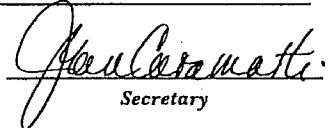
Approved as to Form:

LOUISE H. RENNE  
City Attorney of the  
City and County of San Francisco

By   
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airports Commission  
MAY 20 1997  
at its meeting of \_\_\_\_\_

Page 4 of 4

  
Secretary

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 97-0147

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

**First Supplemental Resolution  
Providing for the Issuance of  
Not to Exceed \$400,000,000 Aggregate Principal Amount of**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE COMMERCIAL PAPER NOTES**

Adopted on May \_\_, 1997

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**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

**TABLE OF CONTENTS**

Page

**ARTICLE XII**

**DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION**

Section 12.01. <u>Definitions</u> .....	1
Section 12.02. <u>Letter of Credit as Credit Facility</u> .....	4
Section 12.03. <u>Fees and Expenses of Banks, Trustee and Issuing and Paying Agent</u> .....	4
Section 12.04. <u>General Authorization</u> .....	4
Section 12.05. <u>Ratification of the 1997 Resolution</u> .....	4

**ARTICLE XIII**

**THE COMMERCIAL PAPER NOTES**

Section 13.01. <u>Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes</u> .....	4
Section 13.02. <u>Payment</u> .....	5
Section 13.03. <u>Authentication of Commercial Paper Notes</u> .....	6
Section 13.04. <u>Forms of Commercial Paper Notes and Authentication Certificate</u> .....	6
Section 13.05. <u>Book-Entry System</u> .....	7
Section 13.06. <u>Conditions Precedent to Delivery of Commercial Paper Notes</u> .....	8
Section 13.07. <u>Commercial Paper Notes</u> .....	10

**ARTICLE XIV**

**APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS**

Section 14.01. <u>Establishment and Designation of Accounts</u> .....	11
Section 14.02. <u>Deposit of Proceeds of Commercial Paper Notes</u> .....	11
Section 14.03. <u>Application of Moneys in the Construction Account</u> .....	11
Section 14.04. <u>Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account</u> .....	12
Section 14.05. <u>Drawings Under the Letter of Credit</u> .....	12

**ARTICLE XV**

**THE BANK NOTES**

Section 15.01. <u>Authorization and Terms of Bank Notes</u> .....	13
Section 15.02. <u>Issuance of Bank Notes</u> .....	13
Section 15.03. <u>Form of Bank Notes and Authentication Certificate</u> .....	14
Section 15.04. <u>No Transfers of Bank Notes</u> .....	14



**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

Section 15.05. Deposits of Net Revenues in Bank Note Account ..... 14

**ARTICLE XVI**

**COVENANTS**

Section 16.02. Rebate to United States ..... 14  
Section 16.03. Tax Covenant ..... 15  
Section 16.04. Taxable Notes ..... 15  
Section 16.05. Letter of Credit ..... 15

**ARTICLE XVII**

**ISSUING AND PAYING AGENT; DEALERS**

Section 17.01. Appointment of Issuing and Paying Agent ..... 16  
Section 17.02. Reports and Records ..... 16  
Section 17.03. Resignation and Replacement of Issuing and Paying Agent ..... 16  
Section 17.04. Dealers ..... 17

**ARTICLE XVIII**

**MISCELLANEOUS**

Section 18.01. Substitute Letter of Credit ..... 17  
Section 18.02. Timeliness of Deposits ..... 18  
Section 18.03. Waiver of Events of Default ..... 18  
Section 18.04. Defeasance of Commercial Paper Notes ..... 18  
Section 18.05. Banks to Control Remedies ..... 18  
Section 18.06. Payments or Actions Occurring on Non-Business Days ..... 19  
Section 18.07. Notices to Rating Agencies ..... 19

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

First Supplemental Resolution Providing for the Issuance of  
Not to Exceed \$400,000,000 Aggregate Principal Amount of  
San Francisco International Airport  
Subordinate Commercial Paper Notes

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), on May \_\_, 1997, duly adopted its Resolution No. 97-\_\_, providing for the issuance of San Francisco International Airport Subordinate Revenue Bonds, (which Resolution, as previously supplemented and amended, including as supplemented by this Resolution No. \_\_ (herein called the "First Supplemental Resolution"), is herein called the "1997 Resolution"); and

WHEREAS, the 1997 Resolution provides that the Commission may issue Bonds, including commercial paper notes, from time to time as the issuance thereof is authorized by the Commission; and

WHEREAS, the Commission has determined that it is necessary and desirable to authorize the issuance of one or more additional Series of Bonds in the form of commercial paper notes in an aggregate principal amount of not to exceed Four Hundred Million Dollars (\$400,000,000) for the purpose of financing the construction, acquisition, equipping and development of capital improvements at the Airport (the "Projects");

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

## ARTICLE XII

### DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION

Section 12.01. Definitions. Except as otherwise defined in this First Supplemental Resolution, capitalized terms herein shall have the meanings assigned thereto in Section 1.01 of the 1997 Resolution. The following definitions shall apply to terms used in this First Supplemental Resolution, unless the context clearly requires otherwise:

"Administrative Agent" means Bayerische Landesbank Girozentrale, acting through its New York Branch, as administrative agent for the Banks with respect to the initial Letter of Credit, and any successor as such administrative agent.

"Advances" means payments made by the Bank or Banks as a result of draws made on the Letter of Credit to pay principal of and interest on the Commercial Paper Notes.

"Available Moneys" means moneys which are continuously on deposit with the Trustee or the Issuing and Paying Agent in trust for the benefit of the holders of the Commercial Paper Notes in a separate and segregated account in which only Available Moneys are held, which moneys constitute proceeds of (i) the Commercial Paper Notes received contemporaneously with the initial issuance and sale of the Commercial Paper Notes, (ii) a drawing under the Letter of Credit or payments otherwise made under a substitute Letter of Credit, (iii) refunding obligations for which the Trustee has received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee and the Rating Agencies to the effect that payment of such moneys to the holders of the Commercial Paper Notes would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code if the Commission were to become a debtor

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

under the United States Bankruptcy Code or (iv) the investment of funds qualifying as Available Moneys under the foregoing clauses.

“Bank” means each of Bayerische Landesbank Girozentrale, acting through its New York Branch and Morgan Guaranty Trust Company of New York, which are issuing the initial Letter of Credit on a several basis, or any other entity that is the issuer of a Letter of Credit then outstanding and effective hereunder. “Banks” means collectively, all of the Banks.

“Bank Note” means a note or notes issued by the Commission pursuant to Section 15.01 hereof and evidencing all or any portion of any unreimbursed Advances made by a Bank and designated as “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes, (insert name of Bank) Series.”

“Bank Note Payment Date” means a date on which principal of or interest on a Bank Note is due and payable, including both scheduled principal and interest and principal and interest payable upon prepayment of a Bank Note.

“Bank Rate” shall have the meaning assigned to that term in the Reimbursement Agreement.

“Business Day” means any day other than (i) a Saturday, Sunday or other day on which commercial banks in New York, New York, San Francisco, California or the city in which is located the office of the Bank at which demands for a draw on the Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

“Commercial Paper Notes” or “Notes” means all Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes authorized to be issued from time to time under the 1997 Resolution and this First Supplemental Resolution, including Commercial Paper Notes issued as Series A Notes and Commercial Paper Notes issued as Series B Notes.

“Dealer” means each of Goldman, Sachs & Co., Artemis Capital Group Inc., and BT Securities Corp., or any successor or assigns permitted under the Dealer Agreement or any other dealer for the Commercial Paper Notes which is appointed by the Commission and has entered into a Dealer Agreement.

“Dealer Agreement” means each Dealer Agreement, by and between the Commission and a Dealer, and any and all modifications, alterations, amendments and supplements thereto, or any other Dealer Agreement entered into by the Commission and a Dealer with respect to the Commercial Paper Notes.

“Designated Representative” means the Airport Director, the Deputy Director for Business and Finance and those additional individuals designated pursuant hereto to complete and deliver Issuance Requests and who have been identified and whose signatures have been certified in a certificate of an Authorized Commission Representative delivered to the Issuing and Paying Agent.

“Expiration Date” means the date of expiration of the Letter of Credit then in effect.

“Interest Advances” means Advances drawn and used to pay interest on Commercial Paper Notes.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

“Issuance Request” means a request made by the Commission, acting through a Designated Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes.

“Issuing and Paying Agent” means The Chase Manhattan Bank, or any successor or assigns permitted under the Issuing and Paying Agent Agreement or any other Issuing and Paying Agent which is appointed by the Commission and has entered into an Issuing and Paying Agent Agreement. “Principal Office” of the Issuing and Paying Agent means the office thereof designated in writing to the Commission and the Trustee.

“Issuing and Paying Agent Agreement” means the Issuing and Paying Agent Agreement, dated as of May , 1997, between the Commission and the Issuing and Paying Agent, and any and all modifications, alterations, amendments and supplements thereto, or any other Issuing and Paying Agent Agreement entered into by the Commission and the Issuing and Paying Agent with respect to the Commercial Paper Notes.

“Letter of Credit” means the direct pay Irrevocable Letter of Credit issued by the Banks to the Issuing and Paying Agent on or prior to the date of issuance of the first Commercial Paper Note and any substitute letter of credit accepted by the Issuing and Paying Agent as provided in Section 18.01 hereof.

“Maximum Rate” means twelve percent (12%) per annum or such higher interest rate as may be permitted by applicable law.

“No-Issuance Notice” shall have the meaning assigned thereto in the Reimbursement Agreement.

“Note Depository” means the securities depository for a Series of Commercial Paper Notes appointed as such pursuant to Section 13.05, and its successors and assigns.

“Note Proceeds” means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

“Principal Advances” means Advances drawn and used to pay principal on Commercial Paper Notes.

“Reimbursement Agreement” means the Letter of Credit and Reimbursement Agreement, dated as of May , 1997, by and among the Commission and the Banks, and any and all modifications, alterations, amendments and supplements thereto and any similar document entered into with respect to a subsequent Letter of Credit.

“Series A Notes” means the “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A.”

“Series A Project” means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed in whole or in part with the proceeds of the Series A Notes, as from time to time amended, as provided in Section 14.03(a) hereof, and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed with proceeds of the sale of Series A Notes.

“Series B Notes” means the “Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series B.”

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

"Series B Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Commission as being financed in whole or in part with the proceeds of the Series B Notes, as from time to time amended, as provided in Section 14.03(a) hereof and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed with proceeds on the sale of Series B Notes.

"Specified Event of Default" means an Event of Default described in subsection (a), (b), (c), (f) or (g) of Section 7.01 of the 1997 Resolution, which Event of Default has not been cured.

"Stated Amount" means the Stated Amount as defined in the Letter of Credit.

"Termination Date" means the sixteenth day prior to the Expiration Date.

Section 12.02. Letter of Credit as Credit Facility. The Commission hereby designates the Letter of Credit as a "Credit Facility" and the Reimbursement Agreement as a "Credit Facility Agreement" and the Banks as "Credit Providers" for the purposes of the 1997 Resolution.

Section 12.03. Fees and Expenses of Banks, Trustee and Issuing and Paying Agent. Operation and Maintenance Expenses shall include the fees and expenses of the Banks, the Trustee and the Issuing and Paying Agent, but shall not include payments of principal of, or interest on, Bank Notes.

Section 12.04. General Authorization. The appropriate officers, agents and employees of the Commission are each hereby authorized and directed for and in the name and on behalf of the Commission to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of one or more Series of Commercial Paper Notes in accordance with the provisions hereof and of the 1997 Resolution.

Section 12.05. Ratification of the 1997 Resolution. This First Supplemental Resolution and all the terms and provisions herein contained shall form part of the 1997 Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the 1997 Resolution. The 1997 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented to the date hereof, including as supplemented by this First Supplemental Resolution.

## ARTICLE XIII

### THE COMMERCIAL PAPER NOTES

Section 13.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.

(a) No Commercial Paper Notes may be issued under the provisions of this First Supplemental Resolution except in accordance with this Article.

(b) The Commission hereby authorizes the issuance of its "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Notes, Series A" and "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

Commercial Paper Notes, Series B" subject to the provisions of this Section 13.01 and as hereinafter provided. The Series A Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series A Projects, and the Series B Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series B Projects. Proceeds of Commercial Paper Notes issued to refinance other Commercial Paper Notes may be used to pay or reimburse the Banks for Advances used to pay principal or interest due on such maturing Commercial Paper Notes; *provided, however*, that proceeds of Series A Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series A Notes and proceeds of Series B Notes may only be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on Series B Notes. Such authorization specifically includes the authorization to issue and reissue Commercial Paper Notes for such purposes. The aggregate principal amount of Commercial Paper Notes that may be Outstanding at any one time hereunder shall not at any time exceed the lesser of (i) \$400,000,000 and (ii) the Principal Component (as defined in the Letter of Credit) then available under the Letter of Credit. At no time shall the aggregate amount of interest payable on the Outstanding Commercial Paper Notes exceed the Interest Component (as defined in the Letter of Credit) then available under the Letter of Credit.

(c) The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer or registered form, as shall be determined by the Airport Director, shall be issued in denominations of \$100,000 and in integral multiples of \$5,000 in excess thereof; and interest on the Commercial Paper Notes shall be separately stated by rate and amount on the face of each Commercial Paper Note. Commercial Paper Notes shall bear interest from their respective dates, payable on their respective maturity dates.

(d) Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), which shall not in any event exceed the Maximum Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dates, but in no event later than the Termination Date, and (iii) shall be sold by the Dealers pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this First Supplemental Resolution, shall be as set forth in the Issuance Request required by Section 13.06 hereof directing the issuance of such Commercial Paper Note.

(e) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(f) The Series A Notes and the Series B Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

(g) Commercial Paper Notes which are issued to finance or refinance Series A Projects shall be designated as Series A Notes. Commercial Paper Notes which are issued to finance or refinance Series B Projects shall be designated as Series B Notes.

(h) The Commercial Paper Notes shall constitute Bonds within the meaning of the 1997 Resolution and the Series A Notes and the Series B Notes, collectively, shall constitute a single Commercial Paper Program within the meaning of the 1997 Resolution:

Section 13.02. Payment. The Commission covenants to duly and punctually pay or cause to be paid from Net Revenues in accordance with the 1997 Resolution, the principal of and interest on each and every

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

Commercial Paper Note when due. To the extent Advances made by the Bank for the purpose of paying principal of and interest on maturing Commercial Paper Notes together with Note Proceeds from Commercial Paper Notes issued on such date are insufficient to pay principal of and interest on maturing Commercial Paper Notes, the Commission will make all payments of interest and principal directly to the Issuing and Paying Agent in immediately available funds on or prior to 1:30 p.m., New York City time, on the date payment is due on any Commercial Paper Note. To the extent principal of and/or interest on Commercial Paper Notes is paid with an Advance, the Issuing and Paying Agent is authorized and directed to use amounts paid by the Commission to reimburse the Banks. The principal of and the interest on the Commercial Paper Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable provided that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 3:00 p.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 3:00 p.m. (New York City time) on a Business Day, payment therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Section 13.03. Authentication of Commercial Paper Notes. The Issuing and Paying Agent is by this First Supplemental Resolution, designated by the Commission as an Authenticating Agent, Registrar and Paying Agent for the Commercial Paper Notes in accordance with the terms of Section 8.12 of the 1997 Resolution. Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not authenticate Commercial Paper Notes which mature later than the Termination Date, and the Issuing and Paying Agent shall not authenticate Commercial Paper Notes if a Specified Event of Default then exists of which it has actual knowledge or the Issuing and Paying Agent has received a No-Issuance Notice.

If any Commercial Paper Notes are to be issued in bearer form, the Commission shall from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, each of which shall have attached such number of carbon copies as the Issuing and Paying Agent shall reasonably specify. When any Commercial Paper Notes are delivered to the Issuing and Paying Agent by the Commission, the Issuing and Paying Agent shall execute and deliver to the Commission a receipt therefor and shall hold such Commercial Paper Notes for the account of the Commission in safekeeping in accordance with its customary practice.

Section 13.04. Forms of Commercial Paper Notes and Authentication Certificate. The definitive Series A Notes and Series B Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be required or appropriate in order to accomplish the purpose of the transaction authorized by the 1997 Resolution and this First Supplemental Resolution.

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

The Commercial Paper Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 13.05. Book-Entry System. Unless the Airport Director or his designee determines that a Series of Commercial Paper Notes shall be issued in bearer form or registered form other than in book-entry form, the Commercial Paper Notes shall initially be issued in book-entry form as further provided in this Section 13.05.

(a) The Notes issued pursuant to this First Supplemental Resolution shall initially be issued in the form of a separate single fully-registered Note for each Series of the Commercial Paper Notes. Except as provided in subsection (c) of this Section 13.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 13.06, so long as the Notes remain in the form of one or more master notes in book-entry form, the issuance of Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Trustee, the Issuing and Paying Agent and the Commission may treat the registered owner of each Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Series of Notes to which such Note belongs, giving any notice permitted or required to be given to Noteholders under the 1997 Resolution, registering the transfer of Notes, obtaining any consent or other action to be taken by Noteholders, and for all other purposes whatsoever, and neither the Trustee, the Issuing and Paying Agent nor the Commission shall be affected by any notice to the contrary.

Neither the Trustee, the Issuing and Paying Agent nor the Commission shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant, or any other person who is not shown on the registration books as being a Noteholder, with respect to (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Noteholders under the 1997 Resolution; (iv) any consent given or other action taken by the Note Depository as Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on the Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent and the Trustee of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article XIII shall refer to such new Nominee.

(b) In order to qualify each Series of Commercial Paper Notes for the Note Depository's book-entry system, the appropriate officers or employees of the Commission are hereby authorized to execute, seal, countersign and deliver on behalf of the Commission to the Note Depository for each Series of Commercial Paper Notes, a Representation Letter from the Commission representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 13.05 or in any other way impose upon the Commission any obligation



**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

whatsoever with respect to persons having beneficial ownership interests in the Commercial Paper Notes other than the Noteholders.

(c) In the event (i) the Note Depository determines not to continue to act as securities depository for a Series of Commercial Paper Notes, or (ii) the Commission determines that the Note Depository shall no longer so act and delivers a written certificate to the Issuing and Paying Agent and the Trustee to that effect, then the Commission will discontinue the book-entry system with the Note Depository for such Series of Notes. If the Commission determines to replace the Note Depository for a Series of Commercial Paper Notes with another qualified securities depository, the Commission shall prepare or direct the preparation of a new, single, separate, fully registered Note of such Series for such Series of Notes registered in the name of such successor or substitute qualified Note Depository or its Nominee, or make such other arrangements acceptable to the Trustee, the Issuing and Paying Agent and such successor or substitute Note Depository as are not inconsistent with the terms of this Supplemental Resolution. If the Commission fails to identify another qualified Note Depository to replace the incumbent Note Depository for a Series of Commercial Paper Notes, then such Series of Notes shall no longer be restricted to being registered in the bond registration books in the name of the incumbent Note Depository or its Nominee, but shall be registered in whatever name or names the incumbent Note Depository or its Nominee transferring or exchanging such Series of Notes shall designate.

(d) Notwithstanding any provision of the 1997 Resolution to the contrary, so long as the Commercial Paper Notes are registered in the name of the Nominee, all payments with respect to principal of and interest on the Commercial Paper Notes and all notices with respect to the Commercial Paper Notes shall be made and given, respectively, as provided in the Representation Letter for the related Series of Notes or as otherwise instructed by the Note Depository.

(e) The initial Note Depository with respect to each Series of Commercial Paper Notes shall be DTC. The initial Nominee with respect to each Series of Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

**Section 13.06. Conditions Precedent to Delivery of Commercial Paper Notes.**

(a) Prior to the issuance of the first Commercial Paper Notes hereunder, Commercial Paper Notes shall be executed by the Commission and delivered to the Issuing and Paying Agent, who shall hold such Commercial Paper Notes unauthenticated in safekeeping for the Commission. Subject to the provisions of Sections 13.01 and 13.05 hereof and paragraphs (c) and (d) of this Section 13.06, at any time and from time to time prior to the Termination Date, Commercial Paper Notes shall be manually authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 1:00 p.m. (New York City time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include: (i) the principal amount and date of each Commercial Paper Note then to be delivered; (ii) the rate and amount of interest thereon; (iii) the maturity date thereof; (iv) whether the Commercial Paper Notes to be issued shall be Series A Notes or Series B Notes; and (v) if the Commercial Paper Notes are sold at a premium, the purchase price of the Notes. No later than 12:30 p.m. on each Business Day on which the Commission proposes to issue Commercial Paper Notes, each Dealer shall report to the Commission each transaction made with or arranged by it or shall notify the Commission and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase.

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing), the Issuing and Paying Agent shall, by 2:15 p.m. (New York City time) on such day, complete each Series A Note and each Series B Note then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the Dealer upon receipt of payment therefor; *provided, however*, that no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if such delivery would result in the aggregate principal amount of Commercial Paper Notes Outstanding being in excess of the lesser of (i) \$400,000,000 and (ii) the Principal Component (as defined in the Letter of Credit) then available under the Letter of Credit, or would result in the aggregate amount of interest payable on Outstanding Commercial Paper Notes to exceed the Interest Component then available under the Letter of Credit. Notwithstanding any provision herein to the contrary, no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if (A) it shall have received notice from a Designated Representative directing the Issuing and Paying Agent to cease authenticating and delivering Commercial Paper Notes until such time as such direction is withdrawn by similar notice, (B) it shall have actual knowledge that a Specified Event of Default shall have occurred and be continuing, (C) it shall have received notice from Bond Counsel that their opinion regarding the exclusion of interest on the Commercial Paper Notes from the gross income for federal tax purposes of the holders thereof is being withdrawn, (D) the maturity date of such Commercial Paper Notes would extend beyond the Termination Date or (E) the Trustee and the Issuing and Paying Agent shall have received a No-Issuance Notice. If an Issuance Request is received after 1:00 p.m. (New York City time) on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Commercial Paper Notes until the next succeeding Business Day.

The Commission shall, upon a change in the identity of its Designated Representatives, provide a certificate for each new Designated Representative to the Issuing and Paying Agent.

A copy of each Commercial Paper Note authenticated in bearer form by the Issuing and Paying Agent shall be promptly mailed by U.S. mail, first class, postage prepaid, to the Commission and the Trustee by the Issuing and Paying Agent. The Issuing and Paying Agent shall furnish the Commission with such additional information with respect to the carrying out of its duties hereunder as the Commission from time to time shall reasonably request.

(b) In addition to the Issuance Request described above in this Section 13.06, and as a further condition to the issuance of any Commercial Paper Notes, the Designated Representative shall certify to the Issuing and Paying Agent that, as of the date of delivery of such Commercial Paper Notes, (i) the Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the amount that at the time is authorized to be Outstanding hereunder as provided in Section 13.01(b) hereof; (iii) the interest rates borne by the Commercial Paper Notes to be delivered on such date does not exceed the lesser of the Maximum Rate or the rate used in calculating the Interest Component of the Letter of Credit, (iv) unless the Commercial Paper Notes to be issued are taxable, the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on such date; (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Termination Date; (vi) the Commission has not been notified by Bond Counsel that their opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereof delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealers has been delivered; (vii) no Specified Event of Default has occurred

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

and is then continuing; and (viii) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in this Section 13.06 of this First Supplemental Resolution have been satisfied.

The delivery of any Issuance Request to the Issuing and Paying Agent by a Designated Representative in the manner provided in this Section shall constitute the certification and representation of the Commission as of the date of such Issuance Request as to the matters set forth in the immediately preceding paragraph.

(c) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and confirmed promptly in writing by a Designated Representative; *provided, however*, that the failure so to confirm any such Issuance Request, or any conflict between any such recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(d) Prior to the initial delivery of the Commercial Paper Notes under this First Supplemental Resolution and as a condition to such initial issuance, the Trustee and the Commission shall be notified by the Issuing and Paying Agent that the Issuing and Paying Agent has received:

(i) A fully executed counterpart of the Reimbursement Agreement;

(ii) The executed Letter of Credit;

(iii) The opinions of the United States counsel (and foreign counsel if the Bank is a United States branch or agency of a bank organized under the laws of a country other than the United States) to each Bank, addressed to the Commission, the Issuing and Paying Agent and the Trustee, to the effect that the Letter of Credit is a valid and binding obligation of the Bank, enforceable in accordance with its terms; and

(iv) The Dealer Agreements.

**Section 13.07 Commercial Paper Notes.** The Commission, the Trustee and the Issuing and Paying Agent may deem and treat the bearer of Notes in bearer form or the registered owner of Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Commission, the Trustee nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

**ARTICLE XIV**

**APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS**

**Section 14.01. Establishment and Designation of Accounts.**

(a) An account within the Construction Fund established pursuant to Section 4.01 of the 1997 Resolution is hereby established and designated as the "Commercial Paper Construction Account" and herein called the "Construction Account".

(b) The following accounts within the 1997 Resolution Debt Service Fund established pursuant to Section 5.02(b) of the 1997 Resolution are hereby established, and the Issuing and Paying Agent shall hold such accounts in accordance with the 1997 Resolution and the Issuing and Paying Agent Agreement:

(1) "Commercial Paper Debt Service Account," with subaccounts therein designated as the "Series A Debt Service Account" and the "Series B Debt Service Account";

(2) "Commercial Paper Bank Payment Account" and herein called the "Bank Payment Account," with subaccounts therein designated as the "Series A Bank Payment Account" and the "Series B Bank Payment Account"; and

(3) Bank Note Debt Service Account and herein called the "Bank Note Account".

(c) The Commission hereby determines not to establish an account within the 1997 Resolution Reserve Fund for the benefit of the Noteholders.

**Section 14.02. Deposit of Proceeds of Commercial Paper Notes.** Immediately upon receipt thereof, the Issuing and Paying Agent shall first deposit the proceeds of the sale of the Commercial Paper Notes into the related subaccount of the Bank Payment Account in an amount equal to the unreimbursed Advances made by the Banks to pay principal of or interest on the Commercial Paper Notes of such Series and shall then transfer the remaining proceeds to the Treasurer for deposit in the Construction Account.

**Section 14.03. Application of Moneys in the Construction Account.**

(a) Moneys in the Construction Account attributable to each Series shall be applied to the payment of the Project Costs for such Series. The Commission may from time to time amend the list of Series A Projects or Series B Projects in the Tax Certificate; *provided, however,* that the Commission shall not amend the list of Series A Projects or Series B Projects in such a way as to change the tax status of the related Series of Commercial Paper Notes.

(b) The Treasurer is hereby authorized to disburse from the Construction Account the amount required for the payment of Project Costs and is directed to make such disbursements upon receipt of a warrant drawn by the Controller.

(c) Moneys held in the Construction Account shall be invested by the Treasurer in Permitted Investments as directed by an Authorized Commission Representative.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

**Section 14.04. Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account.**

(a) On or before 1:30 p.m. New York City time, on the maturity of each Note, the Commission shall deposit from Net Revenues available therefor pursuant to Section 5.05(c) and Section 5.06(b)(ii) of the 1997 Resolution with the Issuing and Paying Agent for deposit in the Bank Payment Account, an amount sufficient, together with all other amounts available to the Issuing and Paying Agent in the related Series subaccount of the Bank Payment Account to pay principal of and interest due on all Notes on such maturity date. The Issuing and Paying Agent shall notify the Commission on or before 5:00 p.m, New York City time, on the Business Day prior to such maturity date, the total amount due on such maturity date.

(b) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Series A Notes shall be deposited into the Series A Debt Service Account of the Commercial Paper Debt Service Account and used to pay the principal of and interest on such maturing Series A Notes upon the proper presentment thereof.

(c) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Series B Notes shall be deposited into the Series B Debt Service Account of the Commercial Paper Debt Service Account and used to pay the principal of and interest on such maturing Series B Notes upon the proper presentment thereof.

(d) Amounts deposited into the Series A Bank Payment Account with respect to the Series A Notes shall be used, on each day that an Advance is received by the Issuing and Paying Agent and deposited into the Series A Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however*, if, on any maturity date of the Series A Notes, the Advances paid under the Letter of Credit are not sufficient to pay the full amount of the principal of and interest due on such Series A Notes on such date, amounts in the Series A Bank Payment Account shall be used to make the balance of such payment.

(e) Amounts deposited into the Series B Bank Payment Account with respect to the Series B Notes shall be used, on each day that an Advance is received by the Issuing and Paying Agent and deposited into the Series B Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however*, if, on any maturity date of the Series B Notes, the Advances paid under the Letter of Credit are not sufficient to pay the full amount of the principal of and interest due on such Series B Notes on such date, amounts in the Series B Bank Payment Account shall be used to make the balance of such payment.

(f) Moneys in the Commercial Paper Debt Service Account and the Bank Payment Account shall not be invested.

(g) Any lien that the Issuing and Paying Agent and the Trustee may have on the Advances made by the Bank under the Letter of Credit and Note Proceeds shall be expressly subordinate to the lien on such funds created for the benefit of the holders of the Commercial Paper Notes and the Bank.

**Section 14.05. Drawings Under the Letter of Credit.** On or before each maturity date for any Commercial Paper Note, the Issuing and Paying Agent shall, present all required drawing certificates and accompanying documentation, if required, to the Administrative Agent and demand payment be made under the Letter of Credit on such maturity date at such time and in such amount not in excess of the Stated Amount so as

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes on such date.

## ARTICLE XV

### THE BANK NOTES

#### Section 15.01. Authorization and Terms of Bank Notes.

(a) The Commission hereby authorizes the issuance of one or more series of its "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes, subject to the provisions of this Section 15.01 and as hereinafter provided. A Series of Bank Notes shall be issued for each Bank and designated the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Notes (insert name of Bank) Series." The Bank Notes shall be issued from time to time as provided herein in the event that any Advance is not reimbursed on the same Business Day such Advance is made. Bank Notes shall be issued in consideration of the payment of the related unreimbursed Advance by a Bank. The aggregate principal amount of Bank Notes that may be Outstanding at any one time hereunder shall not at any time exceed the Stated Amount of the Letter of Credit on its issuance date.

(b) The Bank Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form only; shall be issued in any denomination and shall bear interest at the Bank Rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed); *provided, however,* that the interest rate on the Bank Notes shall never exceed the Maximum Rate. Bank Notes shall bear interest from their respective dates, payable in accordance with the Reimbursement Agreement. Principal of Bank Notes shall be payable in accordance with the Reimbursement Agreement. The final maturity of the Bank Notes shall be no later than such date as may be provided for in the Reimbursement Agreement.

(c) The maturity date and other terms of each Bank Note, so long as not inconsistent with the terms of this First Supplemental Resolution, shall be as set forth in the certificate of an Authorized Commission Representative directing the issuance of such Bank Note.

(d) Each Series of Bank Notes shall be subject to optional prepayment prior to maturity in accordance with, and upon notice as provided by, the Reimbursement Agreement.

(e) Each Series of Bank Notes shall be numbered consecutively from No. 1 upward. The Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

Section 15.02. Issuance of Bank Notes. In the event that any Bank shall have made an Advance that has not been reimbursed by 4:30 p.m. on the same Business Day, such Bank or the Administrative Agent shall provide notice in writing to the Commission, the Issuing and Paying Agent and the Trustee requesting the issuance of a Bank Note and stating: (i) the amount of the Advance that remains unreimbursed; (ii) the final maturity date of such Bank Note; and (iii) the amount of each scheduled principal installment on such Bank Note. Upon receipt of such notice, the Issuing and Paying Agent shall authenticate a Bank Note of the Series specified in such notice and in accordance with such notice and the certificate of an Authorized Commission Representative delivered to the Issuing and Paying Agent pursuant to Section 15.01(c) and shall deliver such Bank Note to or upon the order of the respective Bank.

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

Section 15.03. Form of Bank Notes and Authentication Certificate. The definitive Bank Notes and the Certificate of Authentication endorsed thereon shall be substantially in the forms set forth in Exhibit B attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be necessary or appropriate in order to accomplish the purpose of the transaction authorized by the 1997 Resolution and this First Supplemental Resolution.

The Bank Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 15.04. No Transfers of Bank Notes. To the extent permitted by applicable law, the Bank Notes shall be non-negotiable and non-transferable.

Section 15.05. Deposits of Net Revenues in Bank Note Account. In accordance with Section 5.03 and Section 5.06 of the 1997 Resolution, on the Business Day before each Bank Note Payment Date, the Treasurer shall allocate and transfer to the Issuing and Paying Agent for deposit in the Bank Note Account amounts from available Net Revenues, as follows:

- (a) An amount equal to the aggregate amount of interest due and payable on such Bank Note Payment Date on all Bank Notes Outstanding; and
- (b) An amount equal to the aggregate principal amount due and payable on such Bank Note Payment Date on the Outstanding Bank Notes.
- (c) Amounts in the Bank Note Account shall be invested by the Issuing and Paying Agent in Permitted Investments in accordance with Section 5.08 of the 1997 Resolution.
- (d) The Bank Notes shall not be payable from the proceeds of a Letter of Credit drawing.

## ARTICLE XVI

### COVENANTS

Section 16.01. No Arbitrage. The Commission shall not take, nor permit to be taken by the Trustee, the Issuing and Paying Agent or otherwise, any action which, if such action had been reasonably expected to have been taken or had been deliberately and intentionally taken on the date of the issuance of any Series of Commercial Paper Notes, would have caused such Series of the Commercial Paper Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations. To that end, the Commission will comply with all requirements of Section 148 of the Code to the extent applicable to each Series of Notes. In the event that at any time the Commission is of the opinion that for purposes of this Section 16.01 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or the Issuing and Paying Agent under this First Supplemental Resolution, the Commission shall so instruct the Trustee or the Issuing and Paying Agent in writing, and the Trustee or the Issuing and Paying Agent, as the case may be, shall take such action as may be necessary in accordance with such instructions.

Section 16.02. Rebate to United States. The Commission will pay or cause to be paid to the United States Government the amounts required by Section 148(f) of the Code and any Regulations promulgated

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

thereunder at the times required thereby. To further the satisfaction of such rebate requirement, there is hereby created, to be held by the Trustee as a separate fund for each Series of Commercial Paper Notes distinct from all other funds and accounts held by the Trustee under the 1997 Resolution, an account in the Rebate Fund designated as the "Series \_\_ Rebate Account". The Trustee shall hold any payments received from the Commission for deposit into the Series Rebate Account for each Series of Commercial Paper Notes for purposes of ultimate rebate to the United States, all as more particularly described in the Tax Certificate for such Series. Pending payment to the United States, moneys held in the Series Rebate Account are hereby pledged to secure such payments to the United States as provided herein and in the Tax Certificate, and neither the Commission, the Owners nor any other person shall have any rights in or claim to such moneys. The Trustee shall invest all amounts held in the Series Rebate Accounts in Nonpurpose Investments (as defined in the applicable Tax Certificate), as directed by the Commission in the applicable Tax Certificate.

Computations of the rebate amount and all calculations under this Section and the Tax Certificate shall be furnished by or on behalf of the Commission. The Trustee shall be deemed conclusively to have complied with the provisions of this Section if it follows the directions of the Commission consistent with the provisions of the Tax Certificate. The Trustee shall have no liability or responsibility to enforce compliance by the Commission with the Rebate Requirement. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section, other than from moneys required to be held in the funds and accounts created under the 1997 Resolution, including the Series Rebate Accounts, or from other moneys provided to it by the Commission.

The Commission and the Trustee shall keep and retain, for a period of six (6) years following the retirement of the related Series of Commercial Paper Notes, records of the determinations made pursuant to this Section 16.02.

In order to provide for the administration of this Section 16.02, the Commission may provide for the employment of independent attorneys, accountants and consultants, who shall be selected by the Commission with reasonable care and compensated on such reasonable basis as the Commission may deem appropriate, and the Trustee may rely conclusively upon the opinions, calculations, determinations and advice of such attorneys, accountants and consultants employed hereunder.

Section 16.03. Tax Covenant. The Commission shall not use or knowingly permit the use of any proceeds of the Commercial Paper Notes or any other funds of the Commission, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Commercial Paper Notes being treated as an obligation not described in Section 103(a) of the Code. Without limiting the generality of the foregoing, the Commission will comply with all the requirements and covenants contained in the Tax Certificate. This covenant shall survive the payment in full or defeasance of the Commercial Paper Notes.

Section 16.04. Taxable Notes. Notwithstanding anything in this Supplemental Resolution to the contrary, in the event the Airport Director or his designee designates a Series of Commercial Paper Notes as obligations not described in Section 103(a) of the Code, the provisions of Sections 16.01, 16.02 and 16.03 shall not apply to such Series of Commercial Paper Notes.

Section 16.05. Letter of Credit. The Commission hereby covenants to maintain in effect a Letter of Credit meeting the requirements hereof at all times that Commercial Paper Notes are Outstanding hereunder. The Commission further covenants that if it is unable to obtain a binding commitment for a substitute Letter of



**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

Credit at least 60 days prior to the Expiration Date, it shall endeavor to refinance the Series A Projects and the Series B Projects through the issuance of its bonds.

Section 16.06. Reimbursement Agreement. The Commission hereby covenants to comply with the provisions of the Reimbursement Agreement.

**ARTICLE XVII**

**ISSUING AND PAYING AGENT; DEALERS**

Section 17.01. Appointment of Issuing and Paying Agent. The Commission hereby appoints The Chase Manhattan Bank, as Issuing and Paying Agent and agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Commission will enter into the Issuing and Paying Agent Agreement and the Commission will at all times prior to the Termination Date maintain in effect an Issuing and Paying Agent Agreement, pursuant to which the Issuing and Paying Agent will agree to hold funds, as provided in this First Supplemental Resolution, and fulfill the duties and obligations of the Issuing and Paying Agent as set forth in the First Supplemental Resolution.

Section 17.02. Reports and Records. (a) The Issuing and Paying Agent shall at all times keep or cause to be kept proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Notes and all Funds and Accounts established and maintained by the Issuing and Paying Agent pursuant to this First Supplemental Resolution. Such records shall be available for inspection by the Commission on each Business Day upon reasonable notice during reasonable business hours and by any Owner or its agent or representative duly authorized in writing at reasonable hours and under reasonable circumstances. The Issuing and Paying Agent shall not be required to maintain records with respect to transactions made by the Treasurer, the Trustee or the Commission or with respect to Funds and Accounts established and maintained by the Treasurer or the Trustee.

(b) The Issuing and Paying Agent shall provide to the Commission each month a report of the amounts deposited in each Fund and Account held by it under this First Supplemental Resolution and the amount disbursed from such Funds and Accounts, the earnings thereon, the ending balance in each of such Funds and Accounts, the investments in each such Fund and Account and the yield on each investment calculated in accordance with the directions of an Authorized Commission Representative. Such report shall also include such information regarding the issuance of Commercial Paper Notes during the subject month as the Commission shall request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Commission resulting from the Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Commission therein recorded.

Section 17.03. Resignation and Replacement of Issuing and Paying Agent. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this First Supplemental

# AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

Resolution by giving at least 30 days' written notice to the Administrative Agent, the Trustee and the Commission. The Issuing and Paying Agent may be removed, with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, at any time by an instrument signed by an Authorized Commission Representative and filed with the Issuing and Paying Agent, the Administrative Agent and the Trustee. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected and assumed the duties of the Issuing and Paying Agent hereunder and the Letter of Credit has been transferred to the successor Issuing and Paying Agent in accordance with its terms.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having its principal office in New York, New York and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America or of any state with a combined capital and surplus of at least \$50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 17.04. Dealers. The Commission hereby appoints Goldman, Sachs & Co.; Artemis Capital Group, Inc.; and BT Securities Corp., as Dealers and agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Commission will enter into a Dealer Agreement with each Dealer. The Commission covenants that at all times prior to the Termination Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this First Supplemental Resolution and its Dealer Agreement.

## ARTICLE XVIII

### MISCELLANEOUS

Section 18.01 Substitute Letter of Credit. Notwithstanding anything herein to the contrary, the Commission may obtain a substitute Letter of Credit to replace the Letter of Credit then in effect hereunder so long as said substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of the Letter of Credit then in effect, the Expiration Date with respect to such substitute Letter of Credit shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Expiration Date set forth in the Letter of Credit then in effect. The substitute Letter of Credit shall have a Stated Amount (as such term is used in the original Letter of Credit) at least as great as the Letter of Credit being replaced. The following are further

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a substitute Letter of Credit:

(a) The Commission shall deliver written notice of the proposed substitution to the Trustee, the Issuing and Paying Agent, the Administrative Agent and the Dealers not less than 45 days prior to the substitution date.

(b) There shall be delivered to the Commission, the Trustee and the Issuing and Paying Agent written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes, that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn.

(c) The Issuing and Paying Agent shall deliver written notice to the registered Owners of the Commercial Paper Notes at least 30 days prior to the substitution date. If any Outstanding Note is in bearer form, the Trustee shall publish notice of the substitution of such Letter of Credit in Authorized Newspapers at least 30 days prior to the substitution date.

(d) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the substitute Letter of Credit is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(e) An opinion of Bond Counsel shall be delivered to the effect that the substitution of the Letter of Credit is authorized hereunder and (with respect to Notes other than taxable Notes) will not, in and of itself, adversely affect the exclusion from gross income for federal tax purposes of interest on the Notes.

Section 18.02. Timeliness of Deposits. Funds shall be deemed transferred for purposes of timeliness of receipt under this First Supplemental Resolution when transfer instructions for transfer by federal reserve wire have been given and a federal wire number confirmation has been received; provided that the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

Section 18.03. Waiver of Events of Default. No Event of Default with respect to the Commercial Paper Notes or the Bank Notes shall be waived pursuant to Section 7.10(c) unless after such waiver the reinstatement provisions of the Letter of Credit shall be in full force and effect.

Section 18.04. Defeasance of Commercial Paper Notes. Commercial Paper Notes shall not be deemed to have been paid in full within the meaning of Article X of the 1997 Resolution unless payment of the principal of, and interest on the Commercial Paper Notes either (a) shall have been made or caused to be made in accordance with the terms of the Commercial Paper Notes and the 1997 Resolution or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (i) Available Moneys sufficient to make such payment and/or (ii) noncallable Government Obligations purchased with Available Moneys, 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.

Section 18.05. Banks to Control Remedies. Pursuant to Section 7.13 of the 1997 Resolution, while each Letter of Credit is in effect, so long as a Bank is not Insolvent and is not in default under its Letter of Credit, no remedy under the 1997 Resolution with respect to the Commercial Paper Notes may be pursued without the prior written consent of such Bank. Each Bank shall have the right to direct the Trustee to pursue

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

any right, power, or remedy available under the 1997 Resolution with respect to the assets, if any, available under the 1997 Resolution which secure no Bonds other than the Bonds secured by the Letter of Credit. If, at any time, more than one Bank is eligible to exercise the powers provided in this Section 18.05, the Trustee must obtain the consent of all eligible Banks when consent of a Bank is required, and the Trustee need not follow any direction in accordance with the preceding sentence unless such direction is approved in writing by all eligible Banks.

**Section 18.06. Payments or Actions Occurring on Non-Business Days.** If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period; *provided, however,* that this Section 18.06 shall not apply to Bank Notes.

**Section 18.07. Notices to Rating Agencies.** The Commission shall provide the Rating Agencies with written notice of the occurrence of the following events: (i) changes in Dealers, (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to the 1997 Resolution pursuant to Section 9.02, (iv) the expiration, termination, substitution or extension of a Letter of Credit, and (v) the defeasance of all Outstanding Commercial Paper Notes. Notices to Moody's shall be addressed as follows (or as provided in any subsequent notice to the Commission) Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Structured Finance Group.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 97-0147

ADOPTED by the Airport Commission of the City and County of San Francisco this 20th day of May, 1997, by the following vote:

Ayes: 6

Noes: 0

Absent: 0

[SEAL]

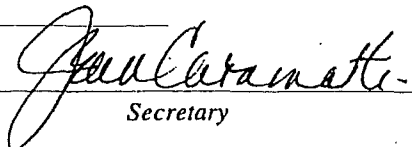
Approved as to Form:

LOUISE H. RENNE  
City Attorney of the City and  
County of San Francisco

By \_\_\_\_\_  
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of MAY 20 1997

Page 20 of 20

  
Secretary

**AIRPORT COMMISSION**

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

EXHIBIT A

(Form of Master Note)

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE COMMERCIAL PAPER NOTES  
SERIES \_\_

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$ \_\_\_\_\_ Outstanding

The AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (hereinafter called the "Commission"), for value received, hereby promises to pay (but only out of the Net Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Commission (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by The Chase Manhattan Bank, as Issuing and Paying Agent (the "Issuing and Paying Agent"). Interest shall be calculated on the basis of actual days elapsed in a 365 or 366 day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Net Revenues (as defined in the Resolution referred to hereinafter) and payments of drawings under an irrevocable direct pay Letter of Credit of Bayerische Landesbank Girozentrale, acting through its New York Branch, and Morgan Guaranty Trust Company of New York, by [wire transfer] to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Note is one of a duly authorized issue of San Francisco International Airport Second Series Subordinate Revenue Bonds of the Commission (hereinafter called the "Obligations") of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate principal amount and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Resolution hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter and the Administrative Code of the City and County of San Francisco (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Commercial Paper Note, Series \_\_" (hereinafter called the "Series \_\_ Notes"), limited to \$ \_\_\_\_\_ in aggregate principal amount. This Note is issued pursuant to a resolution of the Commission, adopted May \_\_, 1997, as amended and supplemented, including as supplemented by the First Supplemental Resolution adopted \_\_\_\_\_, 1997, providing for the issuance of the Obligations,

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

including the Series \_ Notes and the Series \_ Notes, in the aggregate principal amount of \$ \_\_\_\_\_, (hereinafter collectively called the "Resolution").

Reference is hereby made to the Resolution and to the Act for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Resolution, and the rights of the registered owners of the Obligations; and all the terms of the Resolution and the Act are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. Additional series of Obligations may be issued on a parity with the Notes of this authorized Series, but only subject to the conditions and limitations contained in the Resolution.

This Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Resolution (and to the extent set forth in the Resolution), is payable from, and is secured by a charge and lien on, the Net Revenues derived by the Commission from the Airport (as those terms are defined in the Resolution).

The Obligations are special obligations of the Commission, and are payable, both as to principal and interest, out of the Net Revenues pertaining to the Airport and the moneys in the Funds and Accounts provided in the Resolution, subject to the prior payment of principal of and interest on the 1991 Resolution Bonds, and not out of any other fund or moneys of the Commission. No holder of this Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Note or the interest hereon.

At the request of the registered owner, the Commission shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note. This Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Series \_ Note or Series \_ Notes without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Commission, Chase Trust Company of California, as Trustee (herein called the "Trustee"), and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Commission and of the registered owners of the Obligations may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Resolution, provided that no such modification or amendment shall (i) extend the stated maturity of any Obligation, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, or change the currency for any payment of principal thereof or redemption premium or interest thereon, without the consent of the holder of each Obligation so affected, or (ii) reduce the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification or permit the creation of a lien upon the Net Revenues prior to or on a parity with

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

the lien of the Resolution, without the consent of the holders of all of the Obligations then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Obligation without the consent of the registered owner of each Obligation not receiving such preference or priority.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Note, together with all other indebtedness of the Commission pertaining to the Airport, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Resolution.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Note is a valid and binding obligation of Commission.

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said City and County to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

AIRPORT COMMISSION OF THE CITY  
AND COUNTY OF SAN FRANCISCO

By

President

Countersigned:

Secretary of the Commission



**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

**CERTIFICATE OF AUTHENTICATION**

This is the Master Note described in the within-mentioned Resolution.

**THE CHASE MANHATTAN BANK, as Issuing and Paying Agent**

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

**FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto**

\_\_\_\_\_  
(Name, address, and Taxpayer Identification Number of Assignee)  
this Master Note and all rights thereunder, hereby irrevocably constituting and appointing  
\_\_\_\_\_ attorney to transfer said Master Note on the books of the Commission with full  
power of substitution in the premises.

Dated:

Signature(s) Guaranteed

\_\_\_\_\_  
(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

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

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

**EXHIBIT B**

(Form of Bank Note)

**STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SUBORDINATE REVENUE NOTES  
SERIES**

<u>Dated Date</u>	<u>Principal Payment</u>	<u>Final Maturity Date</u>
-------------------	--------------------------	--------------------------------

Registered Owner:

Original Principal Sum:

The AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, a commission duly organized and existing under and pursuant to the Charter of the City and County of San Francisco and the laws of the State of California (hereinafter called the "Commission"), for value received, hereby promises to pay (but only out of the Net Revenues hereinafter referred to) to the registered owner hereinabove named, on each January \_\_, April \_\_, July \_\_, and October \_\_, commencing \_\_\_\_\_, to and including the final maturity date hereinabove stated (each a "Payment Date") (subject to any right of prior prepayment hereinafter mentioned) the principal payment hereinabove stated together with interest on the principal balance outstanding from its dated date until the principal hereof shall have been paid, at the applicable Bank Rate (as defined in that certain Letter of Credit and Reimbursement Agreement, dated as of \_\_, 1997, by and among the Commission, Bayerische Landesbank Girozentrale, acting through its New York Branch, and Morgan Guaranty Trust Company of New York, as Co-Agents and Bayerische Landesbank Girozentrale, as Administrative Agent (hereinafter called the "Agreement")) payable on each Payment Date, by wire transfer to

\_\_\_\_\_. Payment of the principal of this Note at final maturity or prepayment price upon prior prepayment in full of this Note shall be made upon surrender hereof at the office of The Chase Manhattan Bank, as Issuing and Paying Agent in New York, New York. Payment of principal of, and interest on, this Note shall be made in any lawful currency of the United States of America. Interest on this Note shall be calculated on the basis of a 365 or 366 day year and actual days elapsed.

This Note is one of a duly authorized issue of San Francisco International Airport Second Series Subordinate Revenue Notes of the Commission (hereinafter called the "Obligations") of the series and designation indicated on the face hereof. Said authorized issue of Obligations is not limited in aggregate

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

principal amount and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Resolution hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of the Charter of the City and County of San Francisco, and all laws of the State of California supplemental thereto, including the Revenue Bond Law of 1941 to the extent made applicable by said Charter and the Administrative Code of the City and County of San Francisco (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Subordinate Revenue Note, \_\_\_\_\_ Series" (hereinafter called the "Series \_ Notes"), limited to \$ \_\_\_\_\_ in aggregate principal amount. This Note is issued pursuant to a resolution of the Commission, adopted May \_\_, 1997, as amended and supplemented, including as supplemented by the First Supplemental Resolution adopted \_\_\_\_\_, 1997, providing for the issuance of the Obligations, including the Series \_ Notes and the Series \_ Notes, in the aggregate principal amount of \$ \_\_\_\_\_ (hereinafter collectively called the "Resolution").

Reference is hereby made to the Resolution and to the Act for a description of the terms on which the Obligations are issued and to be issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Resolution, and the rights of the registered owners of the Obligations; and all the terms of the Resolution and the Act are hereby incorporated herein and made a contract between the Commission and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by its acceptance hereof, consents and agrees. Additional series of Obligations may be issued on a parity with the Notes of this authorized Series, but only subject to the conditions and limitations contained in the Resolution.

This Note, including the interest hereon, together with all other Obligations, and the interest thereon, issued under the Resolution (and to the extent set forth in the Resolution), is payable from, and is secured by a charge and lien on, the Net Revenues derived by the Commission from the Airport (as those terms are defined in the Resolution).

The Obligations are special obligations of the Commission, and are payable, both as to principal and interest, out of the Net Revenues pertaining to the Airport and the moneys in the Funds and Accounts provided in the Resolution, subject to the prior payment of principal of, and interest on, the 1991 Resolution Bonds, and not out of any other fund or moneys of the Commission. No holder of this Note shall ever have the right to compel any exercise of the taxing power of the City and County of San Francisco to pay this Note or the interest hereon.

The Series \_\_ Notes are subject to optional prepayment prior to their respective stated final maturity dates, at the option of the Commission, from any source of available funds, in whole or in part in principal amounts of at least \$100,000, on any date, [and by lot within a maturity], at a prepayment price equal to the principal amount of Series \_\_ Notes prepaid), together with accrued interest to the date fixed for prepayment.

The Commission, Chase Trust Company of California, as Trustee (herein called the "Trustee"), and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Commission and of the registered owners of the Obligations may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Resolution,

## AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0147

provided that no such modification or amendment shall (i) extend the stated maturity of any Obligation, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, or change the currency for any payment of principal thereof or redemption premium or interest thereon, without the consent of the holder of each Obligation so affected, or (ii) reduce the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification or permit the creation of a lien upon the Net Revenues prior to or on a parity with the lien of the Resolution, without the consent of the holders of all of the Obligations then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Obligation without the consent of the registered owner of each Obligation not receiving such preference or priority.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Note, together with all other indebtedness of the Commission pertaining to the Airport, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of Obligations permitted to be issued under the Resolution.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Note is a valid and binding obligation of Commission.

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 97-0147**

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said City and County to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

By \_\_\_\_\_  
President

Countersigned:

Secretary of the Commission

**CERTIFICATE OF AUTHENTICATION**

This is one of the Notes described in the within-mentioned Resolution and registered this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

**THE CHASE MANHATTAN BANK, as Issuing and Paying Agent**

By \_\_\_\_\_  
Authorized Signatory



AIRPORTS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 91-0201

AUTHORIZATION TO CONDUCT PRE-BID CONFERENCE FOR GARAGE TAXI STAGING AREA  
MOBILE CATERING LEASES

WHEREAS, the lease terms for both Mobile Catering leases in the taxi staging area of the garage were for one year with two-one year options vested solely in Commission; and

WHEREAS, the final one year option will expire on June 30, 1991; and

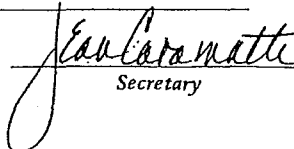
WHEREAS, Mobile Catering in the Taxi Staging Area of the Garage is desired by this Commission for the purpose of providing refreshments to those requiring the use of this area in the garage; now, therefore, be it

RESOLVED, that this Commission approves the terms and conditions of and authorizes staff to conduct a pre-bid conference for two individual leases entitled "Garage Taxi Staging Area Mobile Catering Lease" pursuant to those lease specifications on file with the Airports Commission Secretary.

*I hereby certify that the foregoing resolution was adopted by the Airports Commission*

at its meeting of NOV 5 1991

0331m

  
Secretary





**Wong, Linda (BOS)**

---

**From:** Cathy Widener (AIR)  
**Sent:** Tuesday, April 18, 2017 11:14 AM  
**To:** Wong, Linda (BOS)  
**Cc:** Kaitlyn Connors (AIR)  
**Subject:** Request for Documents - BOS File No. 170211 - Airport Capital Plan Bonds  
**Attachments:** Reso 91-0201 Pre-Bid Garage Taxi Staging Area Mobile Catering Leases.pdf; Reso 97-0147 First Supplemental Subordinate Commercial Paper Notes.pdf; Reso 97-0148 Letter of Credit & Reimbursement Agreement Commercial Paper Notes.pdf; Reso 99-0299 First Supplemental Subordinate Commercial Paper Notes.pdf; Reso 08-0035 Thirteenth Supplemental Second Series Revenue Bonds.pdf; Reso 09-0088 Amended and Restated First Supplement Subordinate Commercial Paper Notes.pdf; Reso 10-0307 Extending Prior Resos Airport's Bonds Finance or Refinance SFO Fuel Co LLC.pdf; Reso 12-0050 Sixteenth Supplemental Second Series Revenue Bonds.pdf; Reso 14-0024 Seventeenth Supplemental Amend 91-0210 Second Series Revenue Bonds.pdf; Reso 15-0182 Capital Plan Bonds Hotel Special Facility.pdf; Reso 16-0274 Second Series Revenue Bonds Finance Capital Projects.pdf; Reso 16-0275 Interim Financing for Capital Projects.pdf; TEFRA Proof of Publication 21Nov2016.pdf

Linda:

So sorry for the delay. Attached are the documents you requested for File No. 170211 and a summary of the 12/5/2016 public hearing, as follows:

- In accordance with TEFRA, Airport staff held a public hearing after timely public notice was published, offering members of the public the opportunity to provide comment on the financing of the facilities. The meeting was held on December 5, 2016 and there were no written comments submitted and no one presented any comments at the hearing.

Let me know if you need any additional information.

thanks.

Cathy



**Cathy Widener**

Director | Government Affairs  
San Francisco International Airport  
Tel 650-821-5023 | [flysfo.com](http://flysfo.com)

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**From:** Cathy Widener (AIR)  
**Sent:** Monday, April 17, 2017 4:54 PM  
**To:** Jean Caramatti (AIR) <[Jean.Caramatti@flysfo.com](mailto:Jean.Caramatti@flysfo.com)>; Marissa Barredo-San Juan (AIR) <[Marissa.Barredo-SanJuan@flysfo.com](mailto:Marissa.Barredo-SanJuan@flysfo.com)>  
**Subject:** Fwd: Request for Documents - BOS File No. 170211 - Airport Capital Plan Bonds

hi. can I get scanned copies of all the AC resolutions listed below? Sorry.  
This is the first I've seen the request.  
thanks.

