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**AIRPORT COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**  
**RESOLUTION NO. 95-0114**

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

**Seventh Supplemental Resolution**  
**Providing for the Issuance of**  
**Not to Exceed \$1,400,000,000 Aggregate Principal Amount of**

**SAN FRANCISCO INTERNATIONAL AIRPORT**  
**SECOND SERIES REVENUE REFUNDING BONDS**

**Adopted on May 19, 1998**

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**Seventh Supplemental Resolution Providing for the Issuance of  
Not to Exceed \$1,400,000,000 Aggregate Principal Amount of  
San Francisco International Airport  
Second Series Revenue Refunding Bonds**

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 No. \_\_\_ (herein called the "Seventh 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, including without limitation for the purposes of refunding outstanding 1991 Resolution Bonds or Subordinate Bonds; 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 One Billion Four Hundred Million Dollars (\$1,400,000,000) for the purposes of refunding, paying, calling and retiring a portion or all of one or more Series of outstanding 1991 Resolution Bonds and all or a portion of the Commission's outstanding San Francisco International Airport Subordinate Commercial Paper Notes, Series A and Series B (the "Notes") (which constitute Subordinate Bonds), funding debt service reserves, and paying costs of issuance, including any redemption premiums, in connection therewith; and

WHEREAS, pursuant to Section 9.01(m) of the 1991 Resolution the Commission by Supplemental Resolution may make any change or addition to the 1991 Resolution which in the Opinion of Bond Counsel, shall not have a material adverse effect on the interests of the Holders; and

WHEREAS, the Commission desires to consolidate certain defined terms under the 1991 Resolution, and has received the form of an Opinion of Bond Counsel that such amendment will not have a material adverse effect on the interests of the Holders;

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

**ARTICLE 18-LI**

**DEFINITIONS AND GENERAL PROVISIONS**

Section 18-51.01: Definitions. All capitalized terms in Articles 18-LI or 18-LII not otherwise defined herein shall have the meanings assigned to them in Article I of the 1991

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Resolution. To the extent terms defined below were previously defined in the 1991 Resolution, the definitions contained herein shall be deemed to amend and supersede all prior versions of such terms.

For all purposes of the 1991 Resolution, including Articles 18-LI through 18-LII, the following words shall have the following meanings:

"Aggregate Maximum Annual Debt Service" means the maximum amount of Annual Debt Service in any Fiscal Year during the period from the date of calculation to the final scheduled maturity of the Participating Series.

"Bond Depository" means the securities depository for a Series of Bonds appointed as such pursuant to the 1991 Resolution, and its successors and assigns.

"Bond Purchase Contract" means a contract entered into by the Commission with and for the negotiated sale of a Series of Bonds by the purchasers thereof, including a contract providing for the forward purchase of a Series of Bonds.

"Call Protection Date" means the date determined in accordance with the terms of the 1991 Resolution before which a series of Bonds are not subject to optional redemption.

"Closing Date" means the date upon which a Series of Bonds is initially issued and delivered in exchange for the proceeds representing the purchase price of such Series of Bonds paid by the original purchaser thereof.

"Completion Date" means, with respect to any Series of Bonds, the Completion Date as defined in the Tax Certificate for such Series of Bonds.

"Construction Period" means, with respect to any Series of Bonds, the period commencing on the Closing Date of such Series of Bonds and ending on the Completion Date for such Series of Bonds.

"Continuing Disclosure Certificate" means a certificate executed and delivered by an Authorized Commission Representative with respect to compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission, as such certificate may be amended from time to time in accordance with its terms.

"Costs of Issuance" means payment of, or reimbursement of the Commission for, all reasonable costs incurred by the Commission in connection with the issuance of a Series of Bonds, including, but not limited to:

- (a) counsel fees related to the issuance of the Series of Bonds (including bond counsel, Trustee's counsel and the City Attorney);

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- (b) Refunding Bonds; financial advisor fees incurred in connection with the issuance of the
- (c) Rating Agency fees;
- (d) Authenticating Agent; the initial fees and expenses of the Trustee, the Registrar and the
- (e) the Series of Bonds; accountant fees and any escrow verification fees related to the issuance of
- (f) the initial fees and expenses of any Series Escrow Agent;
- (g) printing and publication costs;
- (h) such Series of Bonds, but excluding costs of such studies related solely to completion of the related Master Plan Projects or Project and not to the financing; costs of engineering and feasibility studies necessary to the issuance of
- (i) Bonds that constitutes an "issuance cost" within the meaning of Section 147(g) of the Code. any other cost incurred in connection with the issuance of the Series of

"DTC" means The Depository Trust Company.

"Information Services" means: Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10<sup>th</sup> Floor, Jersey City, New Jersey 07302; Attention: Editor; Kenny Information Services' "Called Bond Service," 65 Broadway, 16<sup>th</sup> Floor, New York, New York 10006; Moody's Investors Services' "Municipal and Government," 99 Church Street, 8<sup>th</sup> Floor, New York, New York 10007; Attention: Municipal News Reports; and Standard and Poor's Corporation's "Called Bond Record," 25 Broadway, 3<sup>rd</sup> Floor, New York, New York 10004; or, in accordance with the then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the Commission may designate.

"Maximum Series Annual Debt Service" means the maximum amount of Annual Debt Service for a single Series of Bonds in any Fiscal Year during the period from the date of calculation to the final scheduled maturity of such Series of Bonds.

"Nominee" means the nominee of the Bond Depository as determined from time to time in accordance with the 1991 Resolution for any one or more Series of Bonds.

"Participating Series" means the Issue 1 Bonds and any other Series of Bonds heretofore or hereafter designated pursuant to the 1991 Resolution as being secured by the Issue 1 Reserve Account.

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"Project Costs" means the costs of financing and acquiring the Master Plan Projects or a Project and shall include the following:

(i) payment of, or reimbursement of the Commission for, any amounts necessary to pay the fees of, and any other amounts due, any Credit Provider or interest on any obligations incurred under a Credit Facility during the Series Construction Period or the Construction Period;

(ii) (a) payment of the costs incurred or to be incurred in connection with or incidental to the acquisition, construction, development or equipping of the Master Plan Projects or the Project, including administrative, legal (including but not limited to fees and expenses of the City Attorney), engineering, planning, design, studies, insurance costs, costs of obtaining any applicable licenses or permits and financing costs; and (b) payment to the Commission of such amounts, if any, as shall be necessary to pay or reimburse the Commission in full for all advances and payments made by the Commission relating to the Master Plan Projects or the Project prior to or after the date of issuance and delivery of the related Series of Bonds, including expenditures in connection with acquisition by the Commission of appropriate title or interest in and to the project site (including the costs of such acquisition and of any rights-of-way or easements relating to or necessary or useful to the Master Plan Projects or the Project or the project site), site improvement, and all real or personal property deemed necessary in connection with the Master Plan Projects or the Project, or any one or more of such expenditures (including architectural, engineering and supervisory services) with respect to any of the foregoing;

(iii) Costs of Issuance;

(iv) payment of, or reimbursement of the Commission for, as such payments become due, the fees and expenses of the Trustee, the Registrar, the Paying Agent and the Authenticating Agent and the fees and expenses of their counsel properly incurred under the 1991 Resolution during the Series Construction Period or the Construction Period;

(v) payment of the premiums on all insurance required to be taken out and maintained under the 1991 Resolution during the Series Construction Period or the Construction Period;

(vi) payment of interest on the related Series of Bonds during the Series Construction Period or the Construction Period; and

(vii) any other costs and expenses relating to the Master Plan Projects or the Project authorized under the Act.

"Record Date" means, except as otherwise set forth herein, the fifteenth day of the calendar month before each Payment Date.

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"Redemption Price" means the Principal Amount and premium, if any, payable in accordance with the terms thereof of a Series of Bonds called for redemption.

"Refunding Bonds" means the one or more Series of San Francisco International Airport Second Series Revenue Refunding Bonds, in an aggregate principal amount not to exceed \$1,400,000,000, that are authorized to be issued by the Commission from time to time pursuant to this Seventh Supplemental Resolution.

"Refunding Series Construction Account" means the Construction Account created pursuant to Section 18-52.05 for a Series of Refunding Bonds.

"Refunding Series Rebate Account" means the Rebate Account created pursuant to Section 18-52.13 for a Series of Refunding Bonds.

"Refunding Series Reserve Account" means a Reserve Account created pursuant to Section 18-52.07(d) for a Series of Refunding Bonds.

"Refunding Series Reserve Requirement" means for each Series of Refunding Bonds secured by a Refunding Series Reserve Account, the amount designated as the Refunding Series Reserve Requirement pursuant to Section 18-52.07(a).

"Refunding Series Sale Resolution" means one or more resolutions of the Commission, (i) in the case of a competitive sale, awarding or providing for the award of a Series of Refunding Bonds to the successful bidder in accordance with the terms of the Official Notice of Sale, or alternatively in the case of a negotiated sale, approving a form of Bond Purchase Contract, and (ii) determining or providing for the determination of the interest rates to be borne by said Series of Refunding Bonds, whether principal payments in any given year are to be serial maturities or mandatory sinking fund payments, and the dates of any mandatory sinking fund payments, the purchase price of the Series of Refunding Bonds, providing for bond insurance for any or all of the Series of Refunding Bonds and determining or providing for the determination of such other matters relating to the Series of Refunding Bonds, as may be permitted or authorized to be determined by the Commission in accordance with the 1991 Resolution. If so designated by resolution of the Commission, a certificate signed by the President and the Secretary or by the Airport Director may be deemed to be a Refunding Series Sale Resolution.

"Regulations" means the Income Tax Regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time.

"Representation Letter" means a letter of representations or other agreement among the Commission, the Trustee and the Bond Depository for a Series of Bonds.

"Securities Depositories" means: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax: (516) 277-4039 or -4190; Midwest Securities Trust Company, Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605,

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Fax: (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax: (215) 496-5058; or, in accordance with the then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Commission may designate.

"Series Call Protection Date" means the date determined in accordance with the 1991 Resolution before which a Series of Bonds is not subject to optional redemption.

"Series Debt Service Accounts" means the Series Interest Account, the Series Principal Account and the Series Redemption Account.

"Series Escrow Agent" means the escrow agent (including any successors thereto) appointed by the Commission in its Refunding Series Sale Resolution as the Escrow Agent under the corresponding Series Escrow Agreement.

"Series Escrow Agreement" means the Escrow Agreement, in such form as shall be approved by the Commission, among the corresponding Series Escrow Agent, the Trustee and the Commission relating to the proceeds of the Series of Refunding Bonds and certain other moneys to be applied to the redemption of the corresponding Series of Prior Bonds refunded by such Series of Refunding Bonds.

"Series Escrow Fund" means the Escrow Fund to be held by the Series Escrow Agent and applied to the payment and redemption of the Series of Prior Bonds refunded by the corresponding Series of Refunding Bonds.

"Series of Prior Bonds" means one or more Series of Bonds refunded by a Series of Refunding Bonds.

"Series of Refunding Bonds" means a series of Refunding Bonds issued pursuant to this Seventh Supplemental Resolution.

"Tax Certificate" means a certificate executed and delivered by an Authorized Commission Representative on the Closing Date, or any functionally similar replacement certificate subsequently executed and delivered by an Authorized Commission Representative with respect to the requirements of the Code relating to a Series of Bonds.

**Section 18-51.02. 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 (i) 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 Refunding Bonds in accordance with the provisions of the 1991 Resolution, and the refunding and defeasance of the 1991 Resolution Bonds and the Notes in



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accordance with the provisions hereof and of the 1991 Resolution; and (ii) to conduct such hearings as may be required by the Code to ensure the tax-exempt status of the Refunding Bonds and other 1991 Resolution Bonds to be issued pursuant to the 1991 Resolution.

**Section 18-51.03. Ratification of the 1991 Resolution.** This Seventh 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 supplemented to the date hereof, including as supplemented and amended by this Seventh Supplemental Resolution.

**ARTICLE 18-LII**

**AUTHORIZATION AND TERMS OF REFUNDING BONDS**

**Section 18-52.01. Authorization and Terms of Refunding Bonds:** One or more Series of Refunding Bonds to be issued under the 1991 Resolution, in the aggregate principal amount of not to exceed One Billion Four Hundred Million Dollars (\$1,400,000,000), are hereby created. Each Series of said Refunding Bonds shall be known as the "San Francisco International Airport Second Series Revenue Refunding Bonds, Issue \_\_\_" (with the Series designation to be the Arabic number next succeeding the number used as a Series designation for the immediately preceding Series of 1991 Resolution Bonds issued) (collectively, the "Refunding Bonds"). Each Series of Refunding Bonds shall be issued only in fully registered form, shall be issued in denominations of \$5,000 or any integral multiple thereof, and shall be dated as hereinafter provided and shall bear interest from its dated date(s). The Bonds of each Series of Refunding Bonds shall be numbered in such manner as the Registrar shall determine.

(a) Each Series of Refunding Bonds shall bear interest at such rate or rates, not exceeding twelve percent (12%) per annum, as may be fixed by the Commission by the Refunding Series Sale Resolution for said Series of Refunding Bonds; *provided, however*, that all Series of Refunding Bonds designated as taxable pursuant to Section 18-52.15 shall bear interest at such rate or rates, not exceeding fifteen percent (15%) per annum, as may be fixed by the Commission by the Refunding Series Sale Resolution for said Series of Refunding Bonds. Interest on each Series of Refunding Bonds shall be payable commencing on such May 1 or November 1 as the Airport Director or his designee shall determine, and semiannually thereafter on May 1 and November 1 (each an "Interest Payment Date") in each year, by check or draft mailed to the persons shown as the registered owners of such Series of Refunding Bonds on the registration books for such Series of Refunding Bonds as of the close of business on the Record Date before such Interest Payment Date, or, upon request to the Trustee prior to the Record Date, by wire transfer to a financial institution within the continental United States to the registered owner of at least \$1,000,000 in aggregate Principal Amount of such Series of Refunding Bonds. Payment of the principal or redemption price of each Series of Refunding Bonds shall be made

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upon surrender thereof at the office of the Trustee in San Francisco, California. Payment of principal of, premium, if any, and interest on each Series of Refunding Bonds shall be made in any lawful currency of the United States of America. Interest on each Series of Refunding Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

(b) Each Series of Refunding Bonds shall mature on May 1 in the years and in the amounts established by the Refunding Series Sale Resolution for said Series. Principal payments, in the form either of maturities or mandatory sinking fund payments (in the latter case, attributable to certain Bonds herein called the "Term Bonds"), shall occur on May 1 in the years and in the amounts as shall be specified in the Official Notice of Sale or Bond Purchase Contract for such Series. The Airport Director or his designee is hereby authorized and directed to determine the aggregate Principal Amount of the Refunding Bonds and of each Series of Refunding Bonds, the dated date(s) of each Series of Refunding Bonds, and the years and amounts of the annual principal payments of each Series of Refunding Bonds. Notwithstanding the preceding sentence, no Series of Refunding Bonds shall have a final maturity after May 1, 2030.

A Series of Refunding Bonds may be issued to refund outstanding 1991 Resolution Bonds only if the net present value of the debt service savings on such Series of Refunding Bonds, after deducting any refunding escrow deposits or contributions, redemption premiums, costs of issuance, escrow fees and related expenses of the Commission not paid from the proceeds of such Series of Refunding Bonds, is at least equal to one percent (1%) of the Principal Amount of the 1991 Resolution Bonds to be refunded, as certified in writing by a Financial Consultant. Net present value savings may be calculated after taking into account payments to be made to or by the Commission as part of a transaction or series of transactions to be entered into in conjunction with and as a part of such refunding, including without limitation Swap Payments or Swap Receipts pursuant to an Interest Rate Swap, if and to the extent recommended in writing by a Financial Consultant. Net present value savings shall be calculated using a discount rate with respect to the Series of Refunding Bonds which is consistent with then current municipal finance industry standards, as certified in writing by a Financial Consultant.

(c) The date upon which a Bond Purchase Contract shall be entered into or bids for the purchase of a Series of Refunding Bonds shall be received shall be established by the Airport Director or his designee and shall be no later than December 31, 2001. Refunding 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 counsel 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 counsel.

(d) If the Refunding Bonds are to be sold competitively, a Notice of Intention to Sell in such form as the Airport Director or his designee may approve with the advice of counsel shall be published not less than 15 calendar days prior to the scheduled date for opening of bids, in *The Wall Street Journal* (Western Edition), *The Bond Buyer*, or such other financial

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publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders for the Refunding Bonds, as the Airport Director or his designee may select.

(e) The Airport Director or his designee is hereby authorized and directed to cause to be circulated to potential bidders, or in the case of a negotiated sale, to potential buyers, for each Series of Refunding Bonds a preliminary official statement relating to such Series of Refunding Bonds in such form as the Commission or the Airport Director or his designee may approve with the advice of counsel. The Airport Director or his designee is hereby authorized to certify that the preliminary Official Statement is "deemed final" by the Commission within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

(f) The Airport Director or his designee is hereby further authorized and directed 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) of the Securities and Exchange Commission and to execute and deliver a continuing disclosure certificate for the benefit of the holders and beneficial owners of each Series of Refunding Bonds in a form approved by the Airport Director with the advice of counsel.

(g) At any time after the adoption of this Seventh Supplemental Resolution and the applicable Refunding Series Sale Resolution, the Commission may execute and deliver one or more Series of Refunding Bonds pursuant to this Seventh Supplemental Resolution to the Trustee. The Authenticating Agent shall authenticate and deliver to, or upon the written order of, the Commission, Refunding Bonds in an aggregate principal amount not exceeding One Billion Four Hundred Million Dollars (\$1,400,000,000) minus the aggregate principal amount of Refunding Bonds previously issued.

**Section 18-52.02. Form of Bonds; Execution.** Each Series of Refunding Bonds and the certificate of authentication to be executed thereon shall be in substantially the form set forth in Exhibit A hereto which is hereby incorporated herein by reference, with such additions, deletions, substitutions or changes as the Airport Director or his designee may approve with the advice of counsel, such approval to be conclusively evidenced by the delivery of the Refunding Bonds to the purchasers thereof. The signatures of the officers of the Commission upon such Refunding Bonds shall be printed, lithographed or engraved facsimiles thereof.

**Section 18-52.03. Book-Entry System.** Unless the Airport Director or his designee determines that a Series of Refunding Bonds shall be issued in registered form other than in book-entry form, the Refunding Bonds shall initially be issued in book-entry form as further provided in this Section 18-52.03.

(a) The Refunding Bonds issued pursuant to this Seventh Supplemental Resolution shall initially be issued in the form of a separate single fully-registered Bond for each

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separate stated maturity of each Series of the Refunding Bonds. Except as provided in subsection (c) of this Section 18-52.03, all of the Refunding Bonds shall be registered in the name of the Nominee:

The Trustee, the Registrar, the Paying Agents and the Commission may treat the registered owner of each Refunding Bond as the sole and exclusive owner thereof for the purposes of payment of the principal or redemption price of or interest on the Series of Refunding Bonds to which such Refunding Bond belongs, selecting the Refunding Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the 1991 Resolution, registering the transfer of Refunding Bonds, obtaining any consent or other action to be taken by Bondholders, and for all other purposes whatsoever, and neither the Trustee, the Registrar, the Paying Agents nor the Commission shall be affected by any notice to the contrary.

Neither the Trustee, the Registrar, the Paying Agents nor the Commission shall have any responsibility or obligation to any participant in the Bond Depository (a "Participant"), any person claiming a beneficial ownership interest in the Refunding Bonds under or through the Bond Depository or any Participant, or any other person who is not shown on the registration books as being a Bondholder, with respect to (i) the accuracy of any records maintained by the Bond Depository or any Participant; (ii) the payment by the Bond Depository or any Participant of any amount in respect of the principal of, redemption price of or interest on the Refunding Bonds; (iii) the delivery of any notice which is permitted or required to be given to Bondholders under the 1991 Resolution; (iv) the selection by the Bond Depository or any Participant of any person to receive payment in the event of a partial redemption of the Refunding Bonds; (v) any consent given or other action taken by the Bond Depository as Bondholder; or (vi) any other purpose.

The Trustee or the Paying Agents, as the case may be, shall pay all principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of the Bond 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 premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. No person other than the Bond Depository shall receive an authenticated Bond evidencing the obligation of the Commission to make payments of principal of and premium, if any, and interest pursuant to the 1991 Resolution. Upon delivery by the Bond Depository to the Trustee of written notice to the effect that the Bond 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 18-LII shall refer to such new Nominee.

(b) In order to qualify each Series of Refunding Bonds for the Bond Depository's book-entry system, the appropriate officers or employees of the Commission are hereby authorized to execute and deliver on behalf of the Commission to the Bond Depository for each Series of Refunding Bonds, a Representation Letter from the Commission representing

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such matters as shall be necessary to so qualify the Refunding Bonds. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 18-52.03 or in any other way impose upon the Commission any obligation whatsoever with respect to persons having beneficial ownership interests in the Refunding Bonds other than the Bondholders.

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

(d) Notwithstanding any provision of the 1991 Resolution to the contrary, so long as the Refunding Bonds are registered in the name of the Nominee, all payments with respect to principal of and premium, if any, and interest on the Refunding Bonds and all notices with respect to the Refunding Bonds shall be made and given, respectively, as provided in the Representation Letter for the related Series of Refunding Bonds or as otherwise instructed by the Bond Depository.

(e) The initial Bond Depository with respect to each Series of Refunding Bonds shall be DTC. The initial Nominee with respect to each Series of Refunding Bonds shall be CEDE & CO., as nominee of DTC.

**Section 18-52.04. Redemption of Bonds.**

(a) Optional Redemption. Refunding Bonds maturing on or before the Series Call Protection Date (determined as hereinafter provided) shall not be subject to optional redemption prior to their respective stated maturity dates. Refunding Bonds maturing after the Series Call Protection Date shall be subject to optional redemption prior to their respective stated maturity dates, at the option of the Commission, from any source of available funds, as a whole or in part on any date (and by lot within a maturity), on or after the Series Call Protection Date, at

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specified redemption prices (computed upon the Principal Amount of Bonds called for redemption), together with accrued interest to the date fixed for redemption.

The Airport Director or his designee is hereby authorized and directed to determine the Series Call Protection Date and the optional redemption prices for each Series of Refunding Bonds; provided, that the Series Call Protection Date shall be on the first calendar day of any month, not later than twelve (12) years from the initial principal payment date for said Series of Bonds; and further provided, that the optional redemption premiums shall not exceed five percent (5%) of the Principal Amount of the Bonds called for redemption, nor extend more than five (5) years beyond the Series Call Protection Date.

(b) Mandatory Redemption. Term Refunding Bonds, if any, shall also be subject to redemption prior to their stated maturity or maturities, in part and by lot, from mandatory sinking fund payments required by Section 18-52.06(c), on any May 1, on or after the first date upon which mandatory sinking fund payments are to be made (as established by the related Refunding Series Sale Resolution), at the Principal Amount thereof and accrued interest thereon to the date of redemption, but without premium. No Term Refunding Bonds maturing on any date shall be redeemed from mandatory sinking fund payments until Term Bonds of the same Series maturing on preceding term maturity dates, if any, in order of term maturities, shall have been retired.

Except as in this Section 18-52.04 otherwise provided, the redemption of Refunding Bonds shall be subject to the provisions of Article III of the 1991 Resolution.

Section 18-52.05. Establishment and Application of Refunding Series Construction Fund Accounts.

(a) In accordance with Section 4.01 of the 1991 Resolution, there are hereby created within the Airport Construction Fund a separate account for each Series of Refunding Bonds to be held by the Treasurer and designated as the "Refunding Issue \_\_\_ Construction Account" (the blank to be completed with the numerical designation of the Series). Moneys in the Construction Account for each Series of Refunding Bonds shall be applied to the payment of Costs of Issuance for such Series of Refunding Bonds. The Treasurer is hereby authorized to disburse from each Refunding Series Construction Account the amount required for the payment of Costs of Issuance and is directed to make such disbursements upon receipt of a warrant drawn by the Controller. All amounts remaining in such Construction Account on the date which is 179 days after the date of issuance for such Series of Refunding Bonds shall be transferred by the Treasurer to the Revenues Account.

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**Section 18-52.06. Establishment and Application of Series Debt Service Fund Accounts.**

(a) **Establishment of Series Accounts.** Pursuant to Section 5.03 of the 1991 Resolution, the following separate accounts for each Series of Refunding Bonds to be held by the Trustee are hereby created within the 1991 Resolution Debt Service Fund and designated as indicated: "Refunding Issue \_\_ Interest Account," "Refunding Issue \_\_ Principal Account" and "Refunding Issue \_\_ Redemption Account," with the blanks to be completed with the numerical designation of the particular Series of Refunding Bonds.

(b) **Application of Series Interest Account.** The Trustee shall apply moneys in each Series Interest Account to the payment of interest on the related Series of Refunding Bonds when due, including accrued interest on any Refunding Bonds of such Series purchased or redeemed prior to maturity.

(c) **Application of Series Principal Account.**

(1) The Trustee shall apply moneys in the Series Principal Account for each Series of Refunding Bonds to the payment of the Principal Amount of such Series of Refunding Bonds when due and the payment of mandatory sinking fund payments on Term Bonds of such Series of Refunding Bonds.

(2) The Commission may, from time to time, purchase any Refunding Bonds out of available moneys of the Commission at such prices as the Commission may determine in a request of an Authorized Commission Representative plus accrued interest thereon.

(3) At the discretion of the Commission, the Trustee shall apply mandatory sinking fund payments, as rapidly as may be practicable, to the purchase of Term Refunding Bonds at public or private sale as and when and at such prices (including brokerage and other expenses, but excluding accrued interest on such Refunding Bonds, which is payable from the related Series Interest Account) as the Commission may in its discretion determine, but not to exceed the par value thereof.

(4) All Bonds purchased or redeemed under the provisions of this Section 18-52.06 shall be delivered to, and canceled and destroyed by, the Trustee and shall not be reissued.

(d) **Establishment and Application of Series Redemption Account.** The Trustee shall apply moneys in the Series Redemption Account for each Series of Refunding Bonds to the payment of the Redemption Price of such Series of Bonds called for redemption pursuant to Section 18-52.04(a). Accrued interest on Refunding Bonds redeemed pursuant to Section 18-52.04(a) shall be paid from the Series Interest Account for such Series.

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(c) Deficiencies in the Series Debt Service Accounts. In the event that the amount on deposit in any Series Debt Service Account for any Series of Refunding Bonds is insufficient to pay the interest or Principal Amount or Redemption Price coming due on such Series of Refunding Bonds, the Trustee shall transfer from the Issue 1 Reserve Account or the Refunding Series Reserve Account created pursuant to Section 5-24.07(c), as the case may be, to the Series Interest Account, Series Principal Account or Series Redemption Account, for such Series, not later than five days prior to the date on which such payment is required, the amount of such deficiency.

Section 18-52.07. Establishment of Series of Refunding Bonds as a Participating Series: Alternative Creation of Separate Reserve Accounts.

(a) Reserve Requirement. Each Series of Refunding Bonds shall be a Participating Series or shall be secured by a Refunding Series Reserve Account. The amount in each Refunding Series Reserve Account shall be established and maintained at an amount equal to the Refunding Series Reserve Requirement. The Refunding Series Reserve Requirement for each Series of Refunding Bonds secured by a Refunding Series Reserve Account shall be Maximum Series Annual Debt Service.

(b) Determination of Participating Series. The Airport Director or his designee is hereby authorized and directed to determine whether or not a Series of Refunding Bonds is to be declared to be a Participating Series with respect to the Issue 1 Reserve Account established by Section 1-13.07 of the 1991 Resolution.

(c) Valuation of Participating Series. In the event a Participating Series of Refunding Bonds is to be redeemed in whole or in part pursuant to Section 18-52.04 or the Commission notifies the Trustee in writing of its intention to refund the said Participating Series of Refunding Bonds in whole or in part, the Trustee shall value the amount in the Issue 1 Reserve Account in accordance with Section 1-13.07(b), and if the Trustee determines that the amount in the Issue 1 Reserve Account exceeds Aggregate Maximum Annual Debt Service on the Bonds of the Participating Series to remain Outstanding after such redemption or refunding, upon the request of the Commission signed by an Authorized Commission representative, the Trustee shall transfer the amount of such excess in accordance with such request. The Trustee may request at any time, and the Commission shall deliver within 10 Business Days of such request, a certificate stating the amount of the Aggregate Maximum Annual Debt Service on the then Outstanding Bonds of the Participating Series, and the Trustee shall be entitled to rely on such certificate.

(d) Refunding Series Reserve Accounts.

(1) In the event the Airport Director or his designee determines that a Series of Refunding Bonds shall not be a Participating Series, there is hereby created for such Series of Refunding Bonds a separate reserve account within the 1991 Resolution



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Reserve Fund held by the Trustee to be designated as the "Refunding Issue Reserve Account" (each such reserve account is herein called a "Refunding Series Reserve Account"). The moneys in said account shall be used solely for the purpose of paying interest, principal or mandatory sinking fund payments on the Series of Refunding Bonds for which such reserve account is established whenever any moneys then credited to the accounts within the 1991 Resolution Debt Service Fund for such Series of Refunding Bonds are insufficient for such purposes. If at any time the balance in said account shall for any reason be diminished below an amount equal to the Maximum Series Annual Debt Service on the then Outstanding Bonds of such Series, the Trustee shall immediately notify the Commission of such deficiency, and the Commission shall cause said Refunding Series Reserve Account to be replenished by transfers from available Net Revenues over a period not to exceed twelve months from the date the Commission receives notice from the Trustee of such deficiency. The Trustee may request at any time, and the Commission shall deliver within 10 Business Days of such request, a certificate stating the amount of the Maximum Series Annual Debt Service on the then Outstanding Bonds of any Series, and the Trustee shall be entitled to rely on such certificate.

(2) From time to time, but not less frequently than annually, the Trustee shall determine the amount in each Refunding Series Reserve Account. Permitted Investments in such Refunding Series Reserve Accounts shall be valued at cost plus accreted value.

(3) Within 90 days after the end of each Fiscal Year, and at such other times as the Commission shall request in writing, the Trustee shall determine the amount in each Refunding Series Reserve Account. In the event that the Trustee determines on any valuation date that the amount in a Refunding Series Reserve Account exceeds Maximum Series Annual Debt Service on all then Outstanding Bonds of such Series, upon the request of the Commission signed by an Authorized Commission Representative, the Trustee shall transfer the amount of such excess to the Treasurer for deposit in the Revenues Account.

(4) In the event a Series of Refunding Bonds other than a Participating Series is to be redeemed in whole or in part pursuant to Section 18-52.04 or the Commission notifies the Trustee in writing of its intention to refund the said Series of Refunding Bonds in whole or in part, the Trustee shall value the amount in the Refunding Series Reserve Account for such Series in accordance with this Section 18-52.07(d), and if the Trustee determines that the amount in such Refunding Series Reserve Account exceeds Maximum Series Annual Debt Service on the Bonds of such Series to remain Outstanding after such redemption or refunding, upon the request of the Commission signed by an Authorized Commission Representative, the Trustee shall transfer the amount of such excess in accordance with such request.

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(5) At its option, the Commission may at any time substitute a Credit Facility meeting the requirements of this Section 18-52.07(d) for amounts on deposit in any Refunding Series Reserve Account. The Commission shall not substitute a Credit Facility for all or any part of the amounts on deposit in any such Refunding Series Reserve Account, if such substitution will cause the then current ratings on the Series of Refunding Bonds secured by such Refunding Series Reserve Account to be downgraded or withdrawn. In the event that after the substitution of a Credit Facility for all or any part of the amounts on deposit in any Refunding Series Reserve Account, the amount in such Reserve Account is greater than Maximum Series Annual Debt Service of the then Outstanding Bonds of such Series, upon the request of an Authorized Commission Representative, the Trustee shall transfer such excess to the Commission to be used solely for Airport purposes.

**Section 18-52.08. Disposition of Proceeds of the Bonds.** The proceeds of the sale of each Series of Refunding Bonds shall be deposited with the Treasurer and shall be held in trust and set aside by the Treasurer as follows:

(a) The Treasurer shall transfer to the Trustee for deposit in the Series Interest Account for such Series an amount equal to interest accrued on such Series of Refunding Bonds to the date of delivery thereof.

(b) The Treasurer shall transfer to the Trustee for deposit in the Issue 1 Reserve Account or separate reserve account created pursuant to Section 18-52.07(d) of this Seventh Supplemental Resolution, an amount equal to Maximum Series Annual Debt Service on such Series of Refunding Bonds, or such lesser amount as will increase the balance of the Issue 1 Reserve Account to the Aggregate Maximum Annual Debt Service.

(c) The Treasurer shall deposit in the Refunding Series Construction Account the amount specified in the Refunding Series Sale Resolution, the Bond Purchase Contract or instructions delivered by the Airport Director or his designee, for the payment of Costs of Issuance of the Series of Refunding Bonds.

(d) The remaining proceeds from the sale of the Refunding Bonds of such Series shall be transferred by the Treasurer to the Series Escrow Agent for deposit in the Series Escrow Fund. Amounts in the Series Escrow Fund shall be applied in accordance with the Series Escrow Agreement to refund outstanding 1991 Resolution Bonds or Notes.

**Section 18-52.09. Deposits of Net Revenues in Series Debt Service Accounts.** In accordance with Section 5.03 of the 1991 Resolution, on the second Business Day of each month, the Treasurer shall allocate and transfer to the Trustee for deposit in the Series Debt Service Accounts amounts from the Net Revenues, as follows:

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(a) In the Series Interest Account for each Series of Refunding Bonds, in approximately equal monthly installments, an amount equal to at least one-sixth ( $1/6$ ) of the aggregate amount of interest becoming due and payable on such Series of Refunding Bonds on the next succeeding semiannual interest payment date; provided, however, that no moneys need be deposited in a Series Interest Account except to the extent that such moneys are required for the payment of interest to become due on such Series of Refunding Bonds on the next succeeding semiannual interest payment date, after the application of the moneys then on deposit in the Series Interest Account; and provided, further, that subject to the preceding proviso, during the period preceding the first interest payment date on a Series of Refunding Bonds, the amount of each monthly installment shall be equal to the product of a fraction the numerator of which is one and the denominator of which is the number of whole calendar months from the date of issuance of the Series of Refunding Bonds to the first interest payment date on such Series of Refunding Bonds minus one, and the aggregate amount of interest becoming due and payable on such Series of Refunding Bonds on said interest payment date.

(b) In the Series Principal Account for each Series, in approximately equal monthly installments, commencing on the second day of the month determined pursuant to the Refunding Series Sale Resolution or Bond Purchase Contract, an amount equal to at least one-twelfth ( $1/12$ ) of the aggregate Principal Amount becoming due and payable on the Outstanding Serial Bonds of such Series on the next succeeding Principal Payment Date, until there shall have been accumulated in the Series Principal Account for such Series an amount sufficient to pay the Principal Amount of all Serial Bonds of such Series maturing by their terms on the next Principal Payment Date.

(c) The Treasurer shall also transfer to the Trustee for deposit in the Series Principal Account for each Series, in approximately equal monthly installments, commencing on or before the second day of the month determined pursuant to the Refunding Series Sale Resolution or Bond Purchase Contract, prior to the first mandatory sinking fund payment date, an amount equal to at least one-twelfth ( $1/12$ ) of the mandatory sinking fund payment required to be made pursuant to the Refunding Series Sale Resolution for such Series on the next succeeding mandatory sinking fund payment date, as such mandatory sinking fund payments and mandatory sinking fund payment dates may be set forth in the Refunding Series Sale Resolution or Bond Purchase Contract for such Series.

**Section 18-52.10. Permitted Investments.** Amounts in the Series Debt Service Accounts for each Series of Refunding Bonds shall be invested in Permitted Investments described in clauses (a) or (b) of the definition of Permitted Investments maturing on or before the Payment Date on which the proceeds of such Permitted Investments are intended to be applied for the purposes of the Series Debt Service Account to which such Permitted Investments are allocated. Amounts in the Issue 1 Reserve Account or any Refunding Series Reserve Account shall be invested in Permitted Investments described in clauses (a) or (b) of the definition of Permitted Investments maturing no later than seven years after the date of purchase of said Permitted Investment. Amounts in Refunding Series Construction Accounts may be

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invested in any Permitted Investment. Amounts in the Series Escrow Funds shall be invested as provided in the corresponding Series Escrow Agreements.

**Section 18-52.11. Transfer and Exchange of Refunding Bonds; Registrar; Authenticating Agent; Paying Agents.** Any Refunding Bond may be transferred only as provided in this Section, upon the books required to be kept by the Registrar pursuant hereto, by the person in whose name it is registered, in person or by duly authorized attorney, upon surrender of such Refunding Bond to the Registrar for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. Whenever any Refunding Bond shall be surrendered for transfer, the Commission shall execute and the Authenticating Agent shall cause to be authenticated and delivered a new Refunding Bond of the same Series and maturity and interest rate and for a like aggregate principal amount. The Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Refunding Bonds may be exchanged at the principal office of the Registrar in San Francisco, California for a like aggregate principal amount of Refunding Bonds of such Series of other authorized denominations of the same maturity and interest rate. The Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee is hereby appointed as Registrar and Authenticating Agent for all Series of the Refunding Bonds. The Trustee will keep or cause to be kept at its principal corporate trust office in San Francisco, California, sufficient books for the registration, transfer and exchange of the Refunding Bonds, which shall at all times be open to inspection by the Commission; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or exchange on said register, Refunding Bonds as herein provided.

The Trustee is hereby appointed as Paying Agent for the purpose of paying the principal or Redemption Price of the Refunding Bonds.

**Section 18-52.12. No Arbitrage.** The Commission shall not take, nor permit to be taken by the Trustee 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 the Refunding Bonds, would have caused such Series of the Bonds 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 Refunding Bonds. In the event that at any time the Commission is of the opinion that for purposes of this Section 18-52.12 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Article 18-LII, the Commission shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

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**Section 18-52.13. 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 Refunding Bonds distinct from all other funds and accounts held by the Trustee under the 1991 Resolution, a fund designated as the "Issue \_\_\_ Rebate Account". The Trustee shall hold any payments received from the Commission for deposit into the Refunding Series Rebate Account for each Series of Refunding Bonds 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 Refunding 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 Bondholders nor any other person shall have any rights in or claim to such moneys. The Trustee shall invest all amounts held in the Refunding 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 1991 Resolution, including the Refunding 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 Refunding Bonds, records of the determinations made pursuant to this Section 18-52.13.

In order to provide for the administration of this Section 18-52.13, 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 18-52.14. Tax Covenant.** The Commission shall not use or knowingly permit the use of any proceeds of the Refunding Bonds 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 Refunding Bonds 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

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Certificate. This covenant shall survive the payment in full or defeasance of the Refunding Bonds.

**Section 18-52.15. Taxable Bonds** Notwithstanding anything in this Supplemental Resolution to the contrary, in the event the Airport Director or his designee designates a Series of Refunding Bonds as obligations not described in Section 103(a) of the Code, the provisions of Sections 18-52.12, 18-52.13 and 18-52.14 shall not apply to such Series of Bonds.

**Section 18-52.16. Continuing Disclosure** The Commission covenants to comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered in connection with the issuance of each Series of the Refunding Bonds, as it may be amended from time to time in accordance with its terms. Notwithstanding any other provision of the 1991 Resolution, failure of the Commission to comply with any Continuing Disclosure Certificate shall not be considered an Event of Default; *provided, however,* the Trustee may (and at the written request of the Holders of at least 25% of the aggregate principal amount of the related Series of Refunding Bonds Outstanding, and if such Holders shall have furnished to the Trustee indemnity satisfactory to it, shall) or any Holder or beneficial owner of such Series of Refunding 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 under this Section 18-52.16.

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ADOPTED by the Airport Commission of the City and County of San Francisco this nineteenth day of May, 1998, by the following vote:

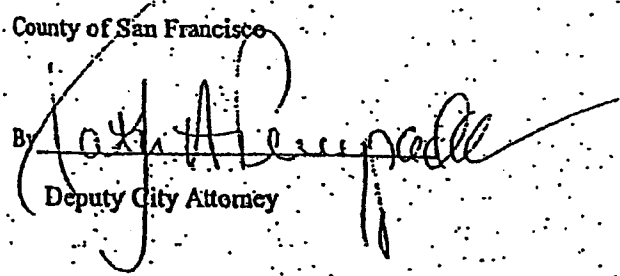
Ayes: 4  
Noes: 0  
Absent: 1

[SEAL]

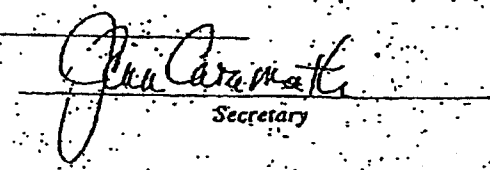
Approved as to:

LOUISE H. RENNE

City Attorney of the City and  
County of San Francisco

By   
Deputy City Attorney

hereby certify that the foregoing resolution was adopted by the Airport Commission  
MAY 19 1998  
this meeting of \_\_\_\_\_

  
Secretary

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EXHIBIT A  
[FORM OF ISSUE BONDS]

No. \_\_\_\_\_

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SECOND SERIES REVENUE REFUNDING BONDS ISSUE

Dated Date                      Interest Rate                      Maturity Date                      CUSIP No.  
\_\_\_\_\_ 1, \_\_\_\_\_                      .0%                      \_\_\_\_\_

Registered Owner: CEDE & CO.

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 or registered assigns, on the maturity date hereinabove stated (subject to any right of prior redemption hereinafter mentioned) the principal sum hereinabove stated together with interest thereon from the interest payment date next preceding the date of registration of this Bond (unless this Bond is registered on an interest payment date, in which event it shall bear interest from the date of registration, or unless this Bond is registered prior to the first interest payment date, in which event it shall bear interest from its date) until the principal hereof shall have been paid at the interest rate per annum hereinabove stated, payable on \_\_\_\_\_ 1, \_\_\_\_\_, and semiannually thereafter on May 1 and November 1 in each year, by check or draft mailed to the person shown as the registered owner of this Bond on the registration books for the Bonds (as hereinafter defined) as of the close of business on the fifteenth day of the calendar month before such



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interest payment date (hereinafter called the "Record Date"), or, upon request to BNY Western Trust Company, as successor trustee to Wells Fargo Bank, National Association, as trustee (hereinafter called the "Trustee"), in San Francisco, California, prior to the Record Date, by wire transfer to a financial institution within the continental United States to the registered owner of at least \$1,000,000 in aggregate principal amount of the Issue \_\_\_ Bonds (as hereinafter defined). Payment of the principal or redemption price of this Bond shall be made upon surrender hereof at the office of the Trustee in San Francisco, California. Payment of principal of, premium, if any, and interest on this Bond shall be made in any lawful currency of the United States of America. Interest on this Bond shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of San Francisco International Airport Second Series Revenue Refunding Bonds of the Commission (hereinafter called the "Bonds") of the series and designation indicated on the face hereof. Said authorized issue of Bonds 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 (hereinafter called the "Act"). This Bond is one of a series of Bonds designated as the "Airport Commission of the City and County of San Francisco San Francisco International Airport Second Series Revenue Refunding Bonds, Issue \_\_\_" (hereinafter called the "Refunding Issue \_\_\_ Bonds"), limited to \$\_\_\_\_\_ in aggregate principal amount. This Bond is issued pursuant to a resolution of the Commission, adopted December 3, 1991, as amended and supplemented, including as amended and supplemented by the Seventh Supplemental Resolution adopted May \_\_, 1998, providing for the issuance of the Bonds, including the Refunding Issue \_\_\_ Bonds, and a Refunding Issue \_\_\_ Sale Resolution, providing for certain other terms of the Refunding Issue \_\_\_ Bonds (said resolution and Refunding Issue \_\_\_ Sale Resolution being 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 Bonds 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 Bond; 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 Bonds may be issued on a parity with the Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Resolution.

This Bond, including the interest hereon, together with all other Bonds, 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).

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

The Refunding Issue      Bonds maturing on or before May 1, 20    , are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Issue      Bonds maturing on or after May 1, 20    , are subject to optional redemption prior to their respective stated maturity dates, at the option of the Commission, from any source of available funds, in whole or in part on any date, and by lot within a maturity, on or after May 1, 20    , at the following redemption prices (expressed as a percentage of the principal amount of Refunding Issue      Bonds called for redemption), together with accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
<u>    </u> , 20 <u>    </u> to <u>    </u> , 20 <u>    </u>	<u>    </u> %
<u>    </u> , 20 <u>    </u> to <u>    </u> , 20 <u>    </u>	<u>    </u>
<u>    </u> , 20 <u>    </u> and thereafter	100

The term Refunding Issue      Bonds maturing May 1,      are subject to mandatory redemption prior to maturity, in part, by lot, from mandatory sinking fund payments, at the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on each May 1, from May 1,      to and including May 1,     .

In the event Refunding Issue      Bonds are to be redeemed, notice of redemption shall be sent by the Trustee not less than 30 nor more than 60 days prior to the date set for redemption by first class mail with respect to each Bond to be redeemed which is in registered form, to the registered owner of such Refunding Issue      Bond at his or her address as it appears on the records maintained by the Registrar. Failure to give any such notice of redemption or any defect therein shall not affect the validity of any proceedings for the redemption of any Refunding Issue      Bonds with respect to which no such failure has occurred.

The Refunding Issue      Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000 and any multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Resolution, fully registered Refunding Issue      Bonds without coupons may be exchanged for a like aggregate principal amount of fully

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RESOLUTION NO. 98-0114

Registered Refunding Issue \_\_\_ Bonds without coupons of other authorized denominations and of the same interest rate and maturity date.

This Bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Trustee in San Francisco, California, 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 Bond. Upon such transfer a new fully Registered Refunding Issue \_\_\_ Bond or Refunding Issue \_\_\_ Bonds without coupons, of authorized denomination or denominations, for the same aggregate principal amount, interest rate and maturity date will be issued to the transferee in exchange herefor.

The Commission, the Trustee and any paying agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Commission, the Trustee and any 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 Bonds 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 Bond, 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 Bond so affected, or (ii) reduce the percentage of Bonds 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 Bonds then outstanding, or (iii) except as expressly permitted by the Resolution, prefer or give priority to any Bond without the consent of the registered owner of each Bond 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 Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City and County of San Francisco, and that this Bond, 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 Bonds permitted to be issued under the Resolution.

This Bond 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 Trustee.

**AIRPORT COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**  
RESOLUTION NO. 98-0114

IN WITNESS WHEREOF, the AIRPORT COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO has caused this Bond to be executed in its name and on its behalf by its President and countersigned by its Secretary, and the seal of said Commission to be imprinted or reproduced by facsimile hereon, and this Bond 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 Bonds described in the within-mentioned Resolution and registered this \_\_\_\_ day of \_\_\_\_\_.

**BNY WESTERN TRUST COMPANY, as  
successor trustee to WELLS FARGO BANK,  
NATIONAL ASSOCIATION,**

as Trustee

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

**AIRPORT COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**  
**RESOLUTION NO. 98-0114**

**ASSIGNMENT**

For value received \_\_\_\_\_ hereby sell, assign and  
transfer unto \_\_\_\_\_ the within Bond and hereby irrevocably constitute  
and appoint \_\_\_\_\_ attorney, to transfer the same on the books of this  
Commission at the office of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_ Tax ID. No. \_\_\_\_\_

The signatures to this Assignment must correspond with the name as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever and must be guaranteed by an eligible guarantor institution.