

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0385

**AUTHORIZATION TO SELL UP TO \$125 MILLION IN PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SPECIAL FACILITIES LEASE REVENUE BONDS (SFO FUEL COMPANY LLC) AND RELATED MATTERS**

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission") has determined that it is desirable to provide for the operation of a jet fuel distribution system and related facilities (the "Fuel System") at the San Francisco International Airport (the "Airport") by the SFO FUEL COMPANY LLC (the "Company"), a Delaware limited liability company whose members are air carriers serving the Airport; and

WHEREAS, pursuant to its Resolution No. 97-0143, adopted on May 20, 1997, the Commission entered into a Fuel System Lease (the "Lease"), dated as of September 1, 1997, with the Company to facilitate the operation of the Fuel System and to finance improvements (the "Project") to the Fuel System, gasoline facilities and related facilities at the Airport; and

WHEREAS, pursuant to its Resolution No. 97-0145, adopted on May 20, 1997, the Commission entered into a Trust Agreement with BNY Western Trust Company, as trustee, dated as of September 1, 1997, (the "Original Trust Agreement") to facilitate the financing of the Project through the issuance of the Commission's Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC) (the "Fuel Bonds") in one or more series in an amount not to exceed \$125,000,000 (the "Previously Authorized Fuel Bonds"); and

WHEREAS, the Board of Supervisors (the "Board") of the City and County of San Francisco (the "City") by its Resolution No. 619-97, adopted on June 23, 1997, approved the issuance by the Commission of the Previously Authorized Fuel Bonds; and

WHEREAS, pursuant to its Resolution 97-0145, the Commission issued \$105,610,000 of its Previously Authorized Fuel Bonds; and

WHEREAS, pursuant to its Resolution 00-0175, adopted on May 16, 2000, the Commission entered into a First Supplemental Trust Agreement, between the Commission and BNY Western Trust Company, as trustee, dated as of May 1, 2000, supplementing the Original Trust Agreement (and together with the Original Trust Agreement, the "Trust Agreement"), pursuant to which the Commission issued the remaining amount of its Previously Authorized Fuel Bonds in the amount of \$19,390,000; and

WHEREAS, the Commission, on October 5, 2010, adopted its Resolution No. 10-0307, which authorized the Commission: (i) to issue up to \$125,000,000 additional Fuel Bonds in order to finance replacements and additional improvements to the Fuel System and to reimburse the Company for any amounts previously expended for such

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purposes (the “New Project”); (ii) to refund outstanding Fuel Bonds and (iii) to execute a new trust agreement and/or supplements to the Trust Agreement and amendments to the Lease in connection therewith; and

WHEREAS, the Board, by its Resolution No. 50-11, adopted on February 10, 2011, authorized the issuance of the additional Fuel Bonds and execution of the related amendments and supplements as described in the Commission’s Resolution No. 10-0307; and

WHEREAS, the Commission now desires to approve the sale of the additional \$125,000,000 aggregate principal amount of the Fuel Bonds in one or more series (the “2019 Fuel Bonds”); and

WHEREAS, the 2019 Fuel Bonds will be payable solely from payments made by the Company pursuant to the Lease, and further secured by certain security agreements between the Company and the Trustee, and shall not be payable from or secured by the general revenues of the Airport; and

WHEREAS, the 2019 Fuel Bonds will be issued pursuant to and in accordance with applicable provisions of the Charter of the City, ordinances and resolutions of the Board, including without limitation, Article II of Chapter 43 (formerly Chapter 48) of the Administrative Code of the City, and the statutes of the State of California; now, therefore, be it

RESOLVED, that this Commission authorizes the following:

Section 1. Commission Findings. The Commission finds and determines as follows:

- (a) The above recitals are true and correct.
- (b) Sufficient unencumbered balances are expected to be available in the proper funds and accounts of the Airport to meet all payments due under the 2019 Fuel Bonds as they become due.

Section 2. Trust Agreement. The Airport Director is authorized and directed, for and on behalf of and in the name of the Commission, to enter into a new trust agreement and/or supplements to the Trust Agreement (the “2019 Trust Agreement”) by and between the Commission and The Bank of New York Mellon Trust Company N.A., as successor trustee to BNY Western Trust Company (the “Trustee”), substantially in the form presented to the Commission at 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 2019 Trust Agreement.

Section 3. Purpose of the 2019 Fuel Bonds. The Airport Director, for and on behalf of the Commission, upon consultation with the City Attorney, the Airport’s financial advisors and co-

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bond counsel, is authorized, taking into account the current financing needs of the Airport, to issue 2019 Fuel Bonds to finance or reimburse certain costs of the New Project and/or to refund all or a portion of the Previously Authorized Fuel Bonds in an amount to be determined by the Airport Director.

Section 4. Terms of the 2019 Fuel Bonds. The Airport Director is authorized and directed, for and on behalf of and in the name of the Commission, to determine the number of series, principal amounts of each series, authorized denominations of each series, interest payment dates, dated dates, maturity dates (including serial maturities and/or term maturities), and the terms of any optional or mandatory redemption of the 2019 Fuel Bonds, the amounts and dates of any mandatory sinking fund payments and the interest rates to be borne by the 2019 Fuel Bonds; provided, however, that the aggregate principal amount of the 2019 Fuel Bonds shall not exceed \$125,000,000 and no 2019 Fuel Bonds shall bear interest at a rate in excess of sixteen percent (16%) per annum if issued as taxable fixed rate bonds or twelve percent (12%) annum if issued as tax-exempt fixed rate bonds, and the final maturity of any 2019 Fuel Bond shall be no later than August 1, 2047. The 2019 Fuel Bonds may be issued as taxable or tax-exempt, or a combination of both. The determinations of the Airport Director provided for in this Section 4 shall be set forth in the 2019 Trust Agreement or a Certificate of Additional Terms (the "Certificate of Additional Terms") to be executed and delivered by the Airport Director on or before the date of issuance of the 2019 Fuel Bonds, which Certificate of Additional Terms, when executed and delivered by the Airport Director, shall constitute a part of the 2019 Trust Agreement.

Section 5. Disclosure Documents. The appropriate officers and staff of the Commission are authorized to prepare a preliminary official statement relating to the 2019 Fuel Bonds (the "Preliminary Official Statement") and a final official statement relating to the 2019 Fuel Bonds (the "Official Statement") in accordance with the Commission's Disclosure Policies and Procedures adopted on September 19, 2017, by Resolution No. 17-0224. The Airport Director, or his designee, is authorized and directed to certify that the Preliminary Official Statement relating to the 2019 Fuel Bonds, as of its date is "deemed final" within the meaning of the Securities and Exchange Commission (the "SEC") Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Airport Director, or his designee, is further authorized to execute and deliver the Official Statement. The Airport Director, or his designee, is 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 pursuant to Rule 15c2-12(b)(5) of the SEC and to execute and deliver a continuing disclosure agreement for the benefit of the holders and beneficial owners of the 2019 Fuel Bonds in such form as shall be approved by the Airport Director upon consultation with the City Attorney.

Section 6. Sale of the 2019 Fuel Bonds; Bond Purchase Agreement. Pursuant to the authority granted in Section 4 of this Resolution, the Airport Director, or his designee, is authorized to select and appoint one or more underwriters (each, an "Underwriter" and, collectively, the "Underwriters") from the Commission's or the City's pool of prequalified underwriters in accordance with the City's policies and procedures with respect thereto, subject to the limits on underwriter compensation set forth below. The Airport Director, or his designee, is authorized and

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directed, for and on behalf of and in the name of the Commission, to sell at one or more negotiated sales (by means of public offerings, limited public offerings and/or private sales), 2019 Fuel Bonds in such aggregate principal amount as the Airport Director may determine, subject to the further limitations and conditions of this Resolution. The Airport Director is authorized to enter into one or more Bond Purchase Agreements with one or more of the Underwriters, individually or collectively, as he deems appropriate, substantially in the form presented to the Commission at this meeting and on file with the Secretary of the Commission, with such changes and additions as the Airport Director may approve upon consultation with the City Attorney, such approval to be evidenced conclusively by the execution and delivery of each such Bond Purchase Agreement; ***provided, however,*** that the total compensation to the Underwriters shall not exceed 0.40% of the par value of such series of 2019 Fuel Bonds. The 2019 Fuel Bonds sold in a negotiated sale shall be delivered to the Underwriters upon payment of the purchase price agreed upon in the applicable Bond Purchase Agreement.

Section 7. Authentication and Delivery of the 2019 Fuel Bonds. The 2019 Fuel Bonds, once prepared, shall be executed by the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary of the Commission and then shall be delivered to the Trustee for authentication by the Trustee, as authenticating agent. The Trustee is authorized and directed to authenticate the 2019 Fuel Bonds by executing the certificate of authentication appearing thereon, and to deliver the 2019 Fuel Bonds, when duly authenticated, to the Underwriters, in accordance with written instructions executed on behalf of the Commission by the Airport Director or his designee, which instructions the Airport Director, or his designee, are authorized and directed to execute and deliver to the Trustee.

Section 8. SB450 Compliance. The Commission acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the Airport Director's memorandum regarding this Resolution and are available to the public at the meeting at which this Resolution is approved.

Section 9. Ratification of Prior Acts relating to the 2019 Fuel Bonds. The actions of the officers, agents and employees of the Commission prior to the adoption of this Resolution to consummate the issuance and sale of the 2019 Fuel Bonds 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 such documents, agreements and certificates and to take such other actions in consultation with the City Attorney, as may be necessary or desirable to accomplish the purposes set forth in this Resolution and the transactions contemplated herein, including but not limited to the execution of the 2019 Trust Agreement, an amendment to the Lease Agreement and one or more Bond Purchase Agreements and the issuance and sale of the 2019 Fuel Bonds. The Airport Director is authorized to designate a designee(s) and to delegate to such designee his authority to execute any such document, agreement or certificate.

Section 11. Effectiveness. This Resolution shall become effective on and as of the date of its adoption, except as otherwise stated in this Resolution.

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ADOPTED by the Airport Commission of the City and County of San Francisco this 4 day of December 2018, by the following vote:

Ayes: 4  
Noes: 0  
Absent: 1

[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

By: Brooke D. Abola  
Brooke D. Abola  
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of DEC 4 2018

[Signature]  
Secretary



San Francisco International Airport

**MEMORANDUM**

December 4, 2018

18-0385

TO: AIRPORT COMMISSION  
 Hon. Larry Mazzola, President  
 Hon. Linda S. Crayton, Vice President  
 Hon. Eleanor Johns  
 Hon. Richard J. Guggenlime  
 Hon. Peter A. Stern

DEC 4 2018

FROM: Airport Director

SUBJECT: Authorization to Sell Up to \$125 Million in Principal Amount of Previously Approved San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC) and Related Matters

DIRECTOR'S RECOMMENDATION: ADOPT RESOLUTION AUTHORIZING THE SALE OF UP TO \$125 MILLION IN PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SPECIAL FACILITIES LEASE REVENUE BONDS (SFO FUEL COMPANY LLC) AND RELATED MATTERS.

**Executive Summary**

The Airport Commission's ("Commission") on-Airport aircraft fuel storage and distribution system ("Fuel System") is leased to SFO FUEL COMPANY LLC ("SFO FUEL"), which was formed by a consortium of airlines to operate and maintain the fuel system. The attached Resolution authorizes the sale of up to \$125 million in principal amount of special facilities lease revenue bonds to finance two new fuel storage tanks and refinance all outstanding fuel bonds. The airlines operating at the Airport pay debt service on the bonds.

The Airport's Financial Advisory Committee has reviewed and concurs with this proposed bond sale.

**Background**

The Commission entered into the Fuel System Lease with SFO FUEL in 1997, and the Commission issued special facilities lease revenue bonds in 1997 and 2000 to finance various fuel system capital improvements, approximately \$62.8 million of which are currently outstanding.

THIS PRINT COVERS CALENDAR ITEM NO. 3

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED  
MAYORLARRY MAZZOLA  
PRESIDENTLINDA S. CRAYTON  
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

IVAR C. SATERO  
AIRPORT DIRECTOR

SFO FUEL is required under the Fuel System Lease to pay facilities rent equal to the debt service on the bonds. The facilities rent is the only source of payment for the bonds. SFO FUEL, in turn, recovers all of its costs by charging the airlines serving the Airport for its services. Airport general revenues are not pledged to repay these bonds. SFO FUEL and the Airport have been considering the construction of two new on-Airport fuel storage tanks for several years, and demand for fuel is now sufficiently high to warrant this additional level of capital investment.

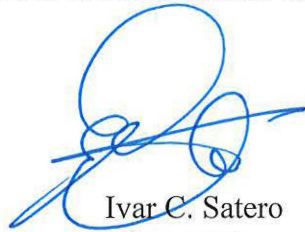
### **SFO FUEL Bond Sale Resolution**

In 2010, the Commission and Board of Supervisors adopted resolutions authorizing issuance of up to \$125 million in additional special facilities lease revenue bonds to finance or refinance fuel system capital improvements. The attached Resolution authorizes the sale of the additional bonds and provides the following key parameters: (1) a maximum term of August 1, 2047; (2) a maximum interest rate of 12% for tax-exempt bonds and 16% for taxable bonds; (3) a not-to-exceed aggregate principal amount of \$125 million; and (4) authorization to execute a Bond Purchase Agreement with the underwriters selected for this financing.

Section 5852.1 of the California Government Code, which became effective on January 1, 2018, requires that certain information as to the full long-term cost of borrowing be disclosed to a governing body prior to its authorization of issuance of bonds. The information in Attachment A has been provided by the Airport's financial advisors as a good faith estimate for the potential sale of up to \$125 million in special facilities lease revenue bonds.

### **Recommendation**

I recommend the Commission adopt the attached Resolution authorizing the sale of not-to-exceed \$125 million of the additional special facilities bonds to finance and refinance improvements to the Airport's fuel system infrastructure.



Ivar C. Satero  
Airport Director

Prepared by: Leo Fermin  
Chief Business and Finance Officer

Attachments

## ATTACHMENT A

Pursuant to Section 5852.1 of the California Government Code, the following information about the estimated costs of the additional bonds have been provided by the Airport's financial advisors as a good faith estimate. Actual interest rates and finance charges may differ from these estimates depending on market conditions at the time of sale. For this bond sale:

- The true interest cost is estimated at 4.26%;
- Finance charges (including all fees and charges expected to be paid to third parties) are estimated at \$1,972,534;
- Proceeds of the bonds are estimated to be \$123,523,282 after accounting for finance charges, reserve deposits, and amounts that would be paid as capitalized interest; and
- The total sum of debt service payments over the life of the bonds, calculated to the final maturity date, is estimated to be \$184,774,838.



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

<p>\$ _____  <b>SPECIAL FACILITIES  LEASE REVENUE BONDS  (SFO FUEL COMPANY LLC),  SERIES 2019A (AMT)</b></p>	<p>\$ _____  <b>SPECIAL FACILITIES  LEASE REVENUE BONDS  (SFO FUEL COMPANY LLC),  SERIES 2019B  (FEDERALLY TAXABLE)</b></p>
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**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2019

Airport Commission of the  
City and County of San Francisco San Francisco, California

Dear Commissioners:

The undersigned, RBC Capital Markets, LLC. (the “**Representative**”), on its own behalf and as representative of Raymond James & Associates, Inc. (together with the Representative, the “**Underwriters**”), hereby offers to enter into this Bond Purchase Agreement, which includes “APPENDIX A – CITY AND COUNTY OF SAN FRANCISCO MANDATORY CONTRACTING PROVISIONS” and “APPENDIX B – LETTER OF REPRESENTATION OF SFO FUEL COMPANY LLC (the “**Purchase Agreement**”) with the Airport Commission of the City and County of San Francisco (the “**Commission**”). The offer made hereby is subject to acceptance by the Commission by execution and delivery of this Purchase Agreement to the Representative at or prior to 11:59 p.m., California time, on the above date, and if not so accepted will be subject to withdrawal by the Representative upon notice delivered to the Commission at any time prior to the acceptance hereof by the Commission. Upon acceptance of this offer by the Commission in accordance with the terms hereof, this Purchase Agreement will be binding upon the Commission and upon the Underwriters. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Official Statement or the Trust Agreement (each as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, covenants and agreements hereinafter set forth, the Underwriters hereby jointly and severally agree to purchase from the Commission, and the Commission hereby agrees to sell to the Underwriters, all (but not less than all) of the above-referenced bonds, consisting of: (a) \$ \_\_\_\_\_ aggregate principal amount of San Francisco International Airport Special Facility Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2019A (AMT) (the “**Series 2019A Bonds**”); and (c) \$ \_\_\_\_\_ aggregate principal amount of the San Francisco International

Airport Special Facility Lease Revenue Bonds (SFO FUEL COMPANY LLC) Series 2019B (Federally Taxable) (the “**Series 2019B Bonds**” and, together with the Series 2019A Bonds, the “**Bonds**”).

The aggregate purchase price for the Bonds shall be \$ \_\_\_\_\_ (the “**Purchase Price**”), which purchase price is equal to the aggregate principal amount of the Bonds (\$ \_\_\_\_\_), plus original issue premium of \$ \_\_\_\_\_, less an Underwriters’ discount of \$ \_\_\_\_\_. The amount of the Good Faith Deposit (as defined and described in Section 11 of this Purchase Agreement) shall be credited against the Purchase Price as described herein.

The obligation of the Underwriters to purchase the Bonds and the obligation of the Commission to issue and deliver the Bonds as described herein is conditioned upon delivery to the Underwriters on or before the date hereof of a Letter of Representation executed by the Obligor (defined below in Section 2) in form and substance satisfactory to the Commission and the Underwriters substantially in the form attached hereto as Appendix B.

2. The Bonds.

(a) The Bonds shall be issued, secured and payable as described in that Trust Agreement, dated as of May 1, 1997, (the “**General Trust Agreement**”) by and between the Commission and The Bank of New York Mellon Trust Company, N.A. as successor trustee (“**Trustee**”) to BNY Western Trust Company, as amended by a First Supplemental Trust Agreement, dated as of May 1, 2000 (the “**First Supplemental**”), and a Second Supplemental Trust Agreement, dated as of January 1, 2019, between the Trustee and the Commission (the “**Second Supplemental**” and together with the First Supplemental and the General Trust Agreement, the “**Trust Agreement**”).

(b) The Bonds shall be special, limited obligations of the Commission payable solely from the Revenues (as defined in the Trust Agreement) received by the Commission from SFO FUEL COMPANY, LLC (the “**Obligor**”) pursuant to the terms of a Fuel System Lease, dated as of September 1, 1997, by and between the Commission and the Obligor, as previously amended (the “**Original Lease**”), and as further amended by an Amendment to Fuel System Lease, dated as of January 1, 2019 (the “**Fuel Lease Amendment**” and together with the Original Lease, the “**Lease**”) which Revenues include amounts payable to Obligor from certain Obligor airlines at the San Francisco International Airport who have executed an Interline Agreement, dated as of September 1, 1997 (the “**Interline Agreement**”) , with the Obligor (as such parties may change from time to time pursuant to the terms of the Interline Agreement, the “**Airlines**”) and amounts to be paid under a Guaranty, by and between the Obligor and the Trustee, dated as of September 1, 1997. (The Lease, the Interline Agreement, the Guaranty, and a Security Agreement, dated as of September 1, 1997 (the “**Security Agreement**”) by and between the Obligor and the Trustee providing a security interest to the Trustee in the Interline Agreement are collectively referred to herein as the “**Financing Documents**”). The Commission has approved the issuance of the Bonds pursuant to Resolution 10-0307 adopted on October 5, 2010 and Resolution No. \_\_\_\_ adopted on \_\_\_\_\_, 2018 (together, the “**Bond Resolution**”).

(c) The Bonds will be issued in fully registered form without coupons in denominations of \$5,000. The Bonds will be dated their date of delivery and will mature, subject

to prior redemption, on January 1 in each of the years set forth in Schedule I, attached hereto. The Bonds will be subject to optional and mandatory sinking fund redemption prior to maturity as shown on Schedule I. The Bonds will bear interest at the interest rates set forth in Schedule I. Interest shall be payable on each January 1 and July 1, commencing July 1, 2019 until maturity or earlier redemption.

(d) The Bonds are being issued to: (i) refund all of the Commission's outstanding San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 1997A (AMT), San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 1997B (Taxable), and San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2000A (AMT) (collectively, the "**Refunded Bonds**"); (ii) finance capital improvements to the jet fuel distribution and related facilities at the Airport, including reimbursing the Company for prior capital project expenditures; (iii) pay capitalized interest on a portion of the Bonds; (iv) to make a deposit to a reserve fund for the Bonds; and (v) pay certain costs of issuance associated with the Bonds.

(e) Interest on the Series 2019A (also referred to herein as, the "**Tax-Exempt Bonds**") will be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 except for interest on the Tax-Exempt Bonds for any period during which such Tax-Exempt Bond is held by a "substantial user" of the facilities financed or refinanced by the Tax-Exempt Bonds, or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Interest on the Tax-Exempt Bonds is a specific item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds will be exempt from State of California personal income taxes.

3. Preliminary Official Statement and Official Statement. The Commission hereby ratifies, approves and confirms the distribution of the Preliminary Official Statement of the Commission with respect to the Bonds, dated \_\_\_\_\_, (together with the appendices thereto, any documents incorporated therein by reference, and any additional supplements or amendments thereto, the "**Preliminary Official Statement**"), in connection with the offering and sale of the Bonds by the Underwriters prior to the availability of the Official Statement. The Commission represents that the Preliminary Official Statement was "deemed final" by the Commission as of its date for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for information permitted to be excluded therefrom pursuant to Rule 15c2-12 and any information contained in the Preliminary Official Statement relating to the Obligor or the Airlines. The Obligor shall also provide a certificate of the Obligor deeming final the information in the Preliminary Official Statement relating to the Obligor in form and substance satisfactory to the Representative. The Commission shall provide the Underwriters, within seven (7) business days from the date hereof (but in any event at least two (2) business days prior to the Closing Date (defined below)) with a reasonable number of copies of the Official Statement in the form of the Preliminary Official Statement with such changes thereto as have been approved by the Representative (which approval shall not be unreasonably withheld), as requested by the Representative, for distribution. The Commission hereby authorizes and approves the use and distribution by the Underwriters of the Official Statement in connection with the offering and sale of the Bonds. The Commission hereby

authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the Municipal Securities Rulemaking Board (the “**MSRB**”). The Official Statement, dated the date hereof, including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing Date is herein referred to as the “**Official Statement.**”

4. Representations, Covenants and Agreements of the Commission. The Commission represents, covenants and agrees with the Underwriters that as of the date hereof:

(a) The Commission is duly organized and validly existing as a commission of the City under and pursuant to the Charter. The Commission has full legal right, power and authority to enter into this Purchase Agreement, the Trust Agreement and the Financing Documents to which it is a party, to adopt the Bond Resolution, to perform its obligations thereunder, and to issue, sell and deliver the Bonds to the Underwriters as provided herein; by all necessary official action of the Commission, the Commission has duly adopted the Bond Resolution; the Bond Resolution and the Trust Agreement and the Financing Documents to which the Commission is a party, in each case as they exist as of the date of this Purchase Agreement, are in full force and effect and has not been amended, modified or rescinded; the Commission has duly authorized and approved the issuance, sale and delivery of the Bonds and the execution and delivery by the Commission of this Purchase Agreement, the Second Supplemental and the Fuel Lease Amendment; and the Commission is in compliance in all material respects with the obligations in connection with the issuance, sale and delivery of the Bonds on its part contained in the Trust Agreement and the Financing Documents to which it is a party, in each case as they exist as of the date of this Purchase Agreement, and in the Bond Resolution.

(b) As of its date and as of the date hereof, the Preliminary Official Statement (except for information included therein regarding (i) providers of municipal bond, swap and reserve account surety and insurance policies; (ii) information under the captions “UNDERWRITING;” “SFO FUEL COMPANY LLC;” “AIRLINE INFORMATION;” and “CERTAIN RELATIONSHIPS;” (iii) the Obligor and the Airlines; (iv) The Depository Trust Company (“**DTC**”) and its book-entry-only system; and (v) the paragraph entitled “Underwriters’ Disclaimer” on the page immediately preceding the table of contents (collectively, the “**Excluded Information**”)), did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. <To be conformed to POS as needed once it is finalized.>

(c) From the date of the Official Statement up to and including the end of the underwriting period (as such term is defined in Rule 15c2-12, except as modified by the last sentence of this paragraph) (the “**Underwriting Period**”), the Official Statement (except for the Excluded Information, CUSIP numbers, prices and yields for the Bonds and any other information expressly provided by the Underwriters for inclusion therein) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. For purposes of this Purchase Agreement, the end of the Underwriting Period shall be deemed to be the Closing Date, unless the Representative shall have notified the Commission in writing to the contrary on or prior to such date but in any event shall be deemed to end twenty-five

(25) days after the Closing Date.

(d) If the Official Statement is supplemented or amended pursuant to Section 4(e), at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the Closing Date or the end of the Underwriting Period, as the case may be, the Official Statement as so amended (except for the Excluded Information, CUSIP numbers, prices and yields for the Bonds and any other information expressly provided by the Underwriters for inclusion therein) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(e) If between the date of delivery of the Official Statement and the end of the Underwriting Period (i) any event shall occur or any fact or condition shall become known to the Commission that would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the Commission shall notify the Representative of such event, fact or condition, and (ii) in the reasonable opinion of the Commission or the Representative such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Commission will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Representative, which approval shall not be unreasonably withheld or delayed.

(f) Without the prior written consent of the Representative, which consent shall not be unreasonably withheld or delayed, between the date of delivery of the Official Statement and the Closing, except with respect to (i) the Commission's commercial paper program and (ii) the Commission's San Francisco International Airport Second Series Revenue Bonds, Series 2019A (AMT), San Francisco International Airport Second Series Revenue Bonds, Series 2019B (Non-AMT/Governmental Purpose), San Francisco International Airport Second Series Revenue Bonds, Series 2019C (Federally Taxable) and San Francisco International Airport Second Series Revenue Refunding Bonds, Series 2019D (AMT), the Commission will not distribute any official statement or other disclosure document with respect to any bonds, notes or other obligations for borrowed money payable from Revenues of the Airport.

(g) The Commission is not in material breach of or in default under, any applicable constitutional provision, law or administrative regulation of the State or the United States of America, or any applicable judgment or decree or any material agreement to which the Commission is a party and no event has occurred and is continuing which, with the passage of time or giving of notice or both, would constitute a default or event of default under any such material agreement. The adoption of the Bond Resolution and the execution and delivery of the Trust Agreement, the Financing Documents to which it is a party, this Purchase Agreement and the Bonds, and the observance and performance of the provisions thereof, did not or will not constitute a material breach of, or default under, any constitutional provision, law, administrative regulation, judgment, court decree, or material agreement to which the Commission is a party.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, with service of

process having been accomplished, or, to the best knowledge of the Airport Director after due inquiry, threatened, by a prospective party or their counsel in writing addressed to the Commission or the Airport Director (i) in any way questioning the existence of the Commission or the titles of the officers of the Commission to their respective offices; (ii) in any way contesting, affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the collection of revenues pledged to pay the principal of and interest on the Bonds, or the pledge of such Revenues, or the application of the proceeds of the sale of the Bonds; (iii) in any way contesting or affecting the validity of the Bonds, the Trust Agreement, the Financing Documents to which the Commission is a party, the Bond Resolution, this Purchase Agreement or the tax-exempt status of the interest on the Tax-Exempt Bonds, or contesting the powers of the Commission or any authority for the issuance of the Bonds, or the adoption of the Bond Resolution or the execution and delivery by the Commission of the Trust Agreement, the Financing Documents to which it is a party or this Purchase Agreement; or (iv) which may result in any material adverse change relating to the business, operations or financial condition of the Commission or the Commission's ability to pay the Bonds.

(i) The Commission will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the Commission in cooperation with the Underwriters as may be reasonably requested (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriters, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, that the Commission shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(j) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, court, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Commission of, its respective obligations under the Bonds, the Trust Agreement, the Financing Documents to which it is a party, this Purchase Agreement and the Bond Resolution have been duly obtained or when required for future performance are expected to be obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(k) Except as may be disclosed in the Official Statement, the Commission has not incurred any material liabilities nor has there been any material adverse change in the financial position or results of operation of the Commission since the Commission's most recent audited financial statements.

(l) The Commission will undertake, pursuant to a Continuing Disclosure Certificate or a similar document, to be dated the Closing Date, (the "**Commission Continuing Disclosure Certificate**"), to provide certain annual financial information and notices of the occurrence of certain events pursuant to paragraph (b)(5) of Rule 15c2-12. An accurate description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the

Official Statement. For the past five years, except as otherwise disclosed in the Preliminary Official Statement, the Commission has been and is now in compliance in all material respects with all of its continuing disclosure obligations under Rule 15c2-12.

(m) Between the date hereof and the Closing Date, the Commission will not supplement or amend the Trust Agreement in any respect that is material to the obligations of the Commission under this Purchase Agreement or the Bonds without the prior written consent of the Representative, which consent shall not be unreasonably withheld or delayed.

(n) The Commission shall apply the proceeds of the Bonds as provided in the Second Supplemental.

(o) All acts, conditions and things required by the City's Charter, the laws of the State, the Trust Agreement, the Financing Documents to which the Commission is a party and the Bond Resolution to exist or to have been performed by the Commission precedent to and for the issuance, sale and delivery of the Bonds do exist, have happened and have been performed in due time, form and manner as prescribed by law, and the Commission agrees to cause the actual issuance of the Bonds on the Closing Date.

5. Representations, Covenants and Agreements of the Underwriters. Each of the Underwriters represents to and covenants and agrees with the Commission that:

(a) Such Underwriter has been duly authorized to enter into this Purchase Agreement, and the Representative has been duly authorized to execute this Purchase Agreement and to act hereunder on behalf of the Underwriters.

(b) Such Underwriter shall comply with the San Francisco Business Tax Ordinance and shall, if not otherwise exempt from such ordinance, provide to the Commission a Business Tax Registration Certificate on or prior to the date hereof.

(c) Such Underwriter shall comply with Chapter 12B of the San Francisco Administrative Code, entitled "Nondiscrimination in Contracts," which is incorporated herein by this reference.

(d) Such Underwriter is not in material violation of, or in material breach of or in material default under, any applicable law, regulation, order or agreement to which such Underwriter is a party or by which such Underwriter is bound, which violation or breach would have a material adverse effect on such Underwriter's ability to execute (if such Underwriter is the Representative), deliver and perform this Purchase Agreement.

(e) This Purchase Agreement, assuming due and legal execution and delivery thereof by, and validity against, the Commission, when executed by the Representative, will be a legal, valid and binding joint and several obligation of each Underwriter enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyances, moratorium and other laws affecting creditors' rights. The Underwriters represent and warrant to the Commission that the Representative has been duly authorized to enter

into this Purchase Agreement and to act hereunder by and on behalf of the Underwriters. Any authority, discretion or other power conferred upon the Underwriters by this Purchase Agreement may be exercised jointly by all of the Underwriters or by the Representative on their behalf.

6. Offering. It shall be a condition to the Commission's obligations to sell and to deliver the Bonds to the Underwriters and to the Underwriters' obligations to purchase and to accept delivery of the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold and delivered by the Commission and purchased, accepted and paid for by the Underwriters on the Closing Date. The Underwriters will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases a Bond during the Underwriting Period. The Underwriters further agree that they will comply with applicable laws and regulations, including without limitation Rule 15c2-12, in connection with the offering and sale of the Bonds.

7. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Commission in establishing the issue price of the Bonds and shall execute and deliver to the Commission at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Commission and Co-Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Tax-Exempt Bonds.

(b) [Except as otherwise set forth in Schedule A,] the Commission will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the "10% test") is sold to the public as the issue price of that maturity. Schedule A attached hereto sets forth the maturities of the Tax-Exempt Bonds for which the 10% test has been satisfied as of the date of this Purchase and the prices at which the Underwriters have sold such maturities to the public. [For purposes of this Section, if Tax-Exempt Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Tax-Exempt Bonds.].

(c) [The Representative confirms that the Underwriters have offered the Tax-Exempt Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule A attached hereto, except as otherwise set forth therein. Schedule A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Tax-Exempt Bonds for which the 10% test has not been satisfied and for which the Commission and the Representative, on behalf of the Underwriters, agree that (1) the Representative will retain all unsold Tax-Exempt Bonds of each maturity for which the 10% test has not been satisfied and not allocate any such Tax-Exempt Bonds to any other Underwriter and (2) the restrictions set forth in the next sentence shall apply, which will allow the Commission to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Tax-Exempt Bonds, the



Representative will neither offer nor sell unsold Tax-Exempt Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (ii) the date on which the Representative has sold at least 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Commission promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.]

- (d) The Representative confirms that:
  - (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Tax-Exempt Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to Tax-Exempt Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of Tax-Exempt Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Tax-Exempt Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

- (ii) any agreement among underwriters or selling group agreement relating

to the initial sale of Tax- Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allocated to it , whether or not the Closing Date has occurred, until either all Tax-Exempt Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to Tax-Exempt Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and

(B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

The Commission acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

(e) The Underwriters acknowledge that sales of any Tax-Exempt Bonds to any person that is a related party to an underwriter participating in the initial sale of the Tax-Exempt Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party to an underwriter;

(ii) “underwriter” means (A) any person that agrees pursuant to a

written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of Tax-Exempt Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of Tax-Exempt Bonds to the public);

(iii) a purchaser of any of Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

8. Closing. (a) At \_\_\_\_\_ a.m., California time, on \_\_\_\_\_, 2019, or at such other time as shall have been mutually agreed upon by the Commission and the Representative (the “**Closing Date**”), the Commission will deliver or cause to be delivered to the account of the Representative (through DTC or its Fast Automated Securities Transfer (“**FAST**”) program) the Bonds duly executed by the Commission, together with the other certificates, opinions and documents set forth in Section 9(d); the Representative will accept such delivery (through DTC or FAST); and the Underwriters will pay by wire transfer the Purchase Price of the Bonds set forth in Section 1, less the Good Faith Deposit.

(b) Payment for the delivery of the Bonds shall be coordinated at the offices of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, or at such other place as shall have been mutually agreed upon by the Commission and the Representative. Such payment and delivery is called the “**Closing**.” The Representative shall order CUSIP identification numbers and the Commission shall cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print any such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Underwriters to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Agreement. The Bonds will be delivered to DTC or via FAST, will be in printed, lithographed or typewritten form, will be prepared and delivered in registered form and will be registered in the name of Cede & Co., as nominee of DTC. The Bonds will be made available to the Representative for checking not less than one (1) business day prior to the Closing.

9. Conditions to Closing. The obligations of the Underwriters hereunder shall be subject to the performance by the Commission of its obligations hereunder at or prior to the Closing and are also subject to the conditions set forth in Section 9(a) through Section 9(d) hereof. If on

the Closing Date the Commission fails to deliver any of the certificates, documents or opinions set forth in Section 9(d) hereof or is otherwise unable to satisfy the conditions to the obligations of the Underwriters hereunder, this Purchase Agreement shall terminate at the option of the Underwriters, and the parties to this Purchase Agreement shall have no further obligations hereunder.

(a) The representations of the Commission contained herein shall be true, complete and correct in all material respects on and as of the Closing Date as if made on the Closing Date.

(b) The representations of the Obligor contained herein (including the Letter of Representation) shall be true, complete and correct in all material respects on and as of the Closing Date as if made on the Closing Date.

(c) On the Closing Date (i) no default or Event of Default (as defined in the Trust Agreement) shall have occurred and be continuing under the Trust Agreement; (ii) the Commission shall perform or have performed its obligations required under or specified in the Trust Agreement and this Purchase Agreement to be performed at or prior to the Closing; (iii) the Obligor shall perform or have performed its obligations required under or specified in this Purchase Agreement (including in the Letter of Representation) to be performed at or prior to the Closing; and (iv) this Purchase Agreement shall remain in full force and effect with respect to the Bonds.

(d) On the Closing Date, all authorizing resolutions of the Commission relating to the Official Statement, the Bonds and this Purchase Agreement shall be in full force and effect in accordance with their respective terms, and shall not have been amended, modified or supplemented in any material respect from the date hereof except as shall have been approved in writing by the Representative, which approval shall not be unreasonably withheld or delayed.

(e) On or prior to the Closing Date, the Representative shall receive the following documents, in each case reasonably satisfactory in form and substance to the Representative and to its counsel, Hawkins Delafield & Wood LLP ("**Underwriters' Counsel**"):

(i) Two copies of the Official Statement, signed by the Airport Director or other authorized officer of the Commission reasonably acceptable to the Representative;

(ii) A DTC Blanket Letter of Representations, executed by the Commission and accepted by DTC;

(iii) The final approving legal opinions of Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C., Co-Bond Counsel to the Commission ("**Co-Bond Counsel**"), regarding the validity of the Bonds and the tax-exempt status of the Tax-Exempt Bonds, dated the Closing Date and substantially in the form included as an appendix to the Official Statement;

(iv) The opinions of Co-Bond Counsel, each dated the Closing Date and addressed to the Representative, substantially in the form attached hereto as Appendix C;

(v) The opinion of Nixon Peabody LLP, Disclosure Counsel to the Commission (“**Disclosure Counsel**”), dated the Closing Date and addressed to the Commission and the Representative, to the effect that, as of the date of the Official Statement and as of the Closing Date, while such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, based upon such counsel’s participation in conferences during which the contents of the Official Statement were discussed, no information came to the attention of the attorneys in such firm rendering legal services as Disclosure Counsel in connection with the Official Statement which caused such counsel to believe that the Official Statement (except for the financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information relating to municipal bond, swap and reserve account surety and insurance policies and the providers thereof, any information regarding interest rate swap counterparties and guarantors, any information regarding letter of credit and liquidity providers, any information regarding DTC and its book-entry system, any information regarding Los Angeles International Airport, Oakland Airport, San Jose International Airport and Seattle-Tacoma International Airport obtained from such airports, any information regarding the airlines serving the Airport (other than information regarding their operations at the Airport), CUSIP numbers, the paragraph entitled “Underwriters’ Disclaimer,” on the page immediately preceding the table of contents, the yields and prices of the Bonds included on the pages immediately following the inside cover, the information under the headings “UNDERWRITING” and any other information expressly provided by the Underwriters for inclusion therein, “CERTAIN RELATIONSHIPS” information contained in Appendices included therein (other than Appendix E), and any information contained or referred to in the sections entitled [“CERTAIN RISK FACTORS – Income Taxation Risk Upon Defeasance of the Series 2019C Bonds,”] “TAX MATTERS,” or information concerning the tax-exempt status of the Bonds [and the information about verification therein including under the caption “VERIFICATION OF MATHEMATICAL COMPUTATIONS”,] as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, together with a representation to the same effect with respect to the Preliminary Official Statement, as of its date and the date of this Purchase Agreement (except for any permitted omissions allowed by Rule 15c2-12); <May need further updating once the POS is finalized.>

(vi) The opinion of Underwriters’ Counsel, dated the Closing Date and addressed to the Representative, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, (ii) the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, (iii) the provisions of the Commission, Continuing Disclosure Certificate and the Obligor Continuing Disclosure Agreement (as defined in the Letter of Representation) comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and (iv) on the date of the Official Statement and as of the Closing Date, while they are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that they have independently verified the accuracy, completeness or fairness of any such statements, based on their participation in conferences during which the contents of the Official Statement and related matters were discussed, and without

making inquiry of other attorneys in the firm not working directly on the issuance, sale and delivery of the Bonds who may have information material to the issue, as a matter of fact and not opinion, during the course of such representation no facts came to the attention of the attorneys in the firm rendering legal services in connection with such representation that caused them to believe that the Official Statement as of its date and as of the Closing Date (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, CUSIP numbers, any information regarding providers of municipal bond, swap and reserve account surety and insurance policies; interest rate swap counterparties and guarantors; letter of credit and liquidity providers; any information regarding Los Angeles International Airport, Oakland Airport, San Jose International Airport and Seattle-Tacoma International Airport provided by such airports, any information regarding the airlines serving the Airport (other than information regarding their operations at the Airport); DTC and its book-entry-only system; information in the Official Statement under the heading "TAX MATTERS" or information regarding the tax-exempt status of the Tax-Exempt Bonds, and Appendices \_\_\_\_\_) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, together with a representation to the same effect with respect to the Preliminary Official Statement as of its date and as of the date of this Purchase Agreement;

(vii) The opinion of the City Attorney, dated the Closing Date and addressed to the Commission, the Trustee and the Representative, substantially in the form attached hereto as Appendix D;

(viii) A certificate of the Commission, dated the Closing Date, executed by the Airport Director or other authorized officer reasonably acceptable to the Representative, to the effect that on the date thereof (A) the descriptions and statements of or pertaining to the Commission and the Airport contained in the Preliminary Official Statement and the Official Statement were and are true and correct in all material respects; (B) the representations of the Commission contained in the Purchase Agreement were and are true and correct in all material respects as of, and the Commission has complied with all agreements and covenants and satisfied all conditions contemplated by the Purchase Agreement and the Bond Resolution on its part to be performed or satisfied at or prior to, the Closing Date; (C) insofar as the Airport, the Commission and its affairs, including its financial affairs, are concerned, the Preliminary Official Statement did not, as of its date and as of the date of the Purchase Agreement, and the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (D) insofar as the descriptions, statements and data, including financial data, of or pertaining to entities other than the Airport and the Commission and the activities of such entities contained in the Preliminary Official Statement and the Official Statement are concerned, such descriptions, statements and data have been obtained from sources which the Commission believes to be reliable;

(ix) A copy of the Bond Resolution, certified by the Secretary of the Commission as having been duly executed or adopted by the Commission and as being in full force and effect, with such changes or amendments as may have been approved in writing by the

Representative, which approval shall not be unreasonably withheld;

(x) A copy of the resolution or resolutions of the Board of Supervisors of the City approving the issuance of the Bonds (the “**Board Resolution**”) certified by the Clerk of the Board of Supervisors of the City as having been duly executed or adopted by the Board of Supervisors of the City and as being in full force and effect, with such changes or amendments as may have been approved in writing by the Representative, which approval shall not be unreasonably withheld;

(xi) Copies of the General Trust Agreement, the First Supplemental, the Second Supplemental, the Fuel System Lease, as amended, the Interline Agreement, the Guaranty and the Security Agreement;

(xii) Executed copies of each of the Second Supplemental and the 2018 Amendment to the Fuel Lease;

(xiii) Executed copies of each of the Commission Continuing Disclosure Certificate and the Obligor Continuing Disclosure Agreement (as defined in the Letter of Representation);

(xiv) A Certificate of Additional Terms, executed by the Airport Director;

(xv) A duly executed tax certificate and agreement of the Commission, including a tax certificate executed by the Obligor, in form and substance satisfactory to Co-Bond Counsel, with respect to the Tax-Exempt Bonds and other matters, delivered on the Closing Date in form satisfactory to Co-Bond Counsel;

(xvi) Ratings letters from Moody’s Investors Service, Inc. (“**Moody’s**”) and S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“**S&P**”), each to the effect that the applicable rating agency has assigned to the Bonds the ratings set forth in the Official Statement;

(xvii) A certificate of the Trustee, in form satisfactory to Co-Bond Counsel;

(xviii) The opinion of counsel to the Trustee, dated the Closing Date and addressed to the Commission, in form satisfactory to Co-Bond Counsel;

(xix) Duly executed copies of this Purchase Agreement;

(xx) A certificate of Public Financial Management, Inc. and Backstrom McCarley Berry & Co., LLC (the “**Co-Municipal Advisors**”);

(xxi) A Certificate of the Obligor substantially in the form attached hereto as Appendix E;

(xxii) The opinion of counsel to the Obligor substantially in the form attached hereto as Appendix F;

(xxiii) A certified copy of a resolution of the Fuel Committee of the Obligor approving execution and delivery of the Fuel Lease Amendment and ratifying the Fuel System Lease, the Interline Agreement, the Security Agreement and the Guaranty;

(xxiv) A Certificate of LeighFisher (the “**Feasibility Consultant**”) regarding requirements in connection with the issuance of Additional Bonds in form satisfactory to the Commission and Co-Bond Counsel;

(xxv) A Report of Proposed Debt Issuance required to be delivered to the California Debt and Investment Advisory Commission (“**CDIAC**”) pursuant to Section 8855(g) and 53583 of the California Government Code;

(xxvi) [A copy of a verification report with respect to the escrow for the Refunded Bonds not paid on the Closing Date, in form satisfactory to Co-Bond Counsel;]

(xxvii) Defeasance opinions of Co-Bond Counsel with respect to the Refunded Bonds;

(xxviii) Two transcripts of all proceedings relating to the authorization and issuance of the Bonds; and

(xxix) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy as of the Closing Date of the representations of the Commission contained in this Purchase Agreement and the due performance or satisfaction by the Commission at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by the Commission pursuant to this Purchase Agreement.

10. Termination. The Underwriters may terminate this Purchase Agreement, without liability therefor, by notification by the Representative to the Commission if at any time subsequent to the date of this Purchase Agreement and at or prior to the Closing Date any of the following shall have occurred and be continuing as of the date of termination and, in the sole reasonable judgment of the Representative after consultation with the Airport Director, the Chief Business and Finance Officer or the Managing Director, Finance of the Commission, would materially and adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the contemplated offering price(s) set forth in the Official Statement:

(a) Legislation shall have been enacted by the Congress of the United States, or passed by either House of the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress of the United States by any committee of either House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States, or the



United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement shall have been made by the Treasury Department of the United States, including the Internal Revenue Service, the effect of which would be to cause interest on the Tax-Exempt Bonds or on securities of the general character of the Tax-Exempt Bonds to cease to be excludable from gross income for federal income tax purposes, other than with respect to the Tax-Exempt Bonds while held by a “substantial user” of the facilities financed or refinanced with the proceeds of the Tax-Exempt Bonds or by a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (as amended), or interest on the Bonds to cease to be exempt from State of California personal income taxes;

(b) Legislation shall be enacted, or a decision of a court of competent jurisdiction shall be rendered or any action shall be taken or rule or regulation promulgated by any governmental agency having jurisdiction over the subject matter which has the effect of either (i) requiring the Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Trust Agreement to be qualified under the Trust Indenture Act of 1939, as amended; or (ii) making the contemplated underwriting and sale of the Bonds pursuant to this Purchase Agreement a violation of federal or state law;

(c) There shall have occurred a declaration of war by the United States, any major new outbreak, or escalation of armed hostilities, an act of terrorism or any other major domestic or international calamity or crisis;

(d) Any rating of any bonds, notes or other obligations of the Commission (including, without limitation, the Bonds) shall have been downgraded, suspended or withdrawn, or the possibility of such a downgrading, suspension or withdrawal shall have been publicly announced, by Moody’s, or S&P, except in cases where such action or possibility of action has been caused by a change in the credit of a credit provider or liquidity provider;

(e) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, or with respect to trading in securities generally, any material restrictions not now in force or being enforced, or increase materially those now in force, with respect to the extension of credit by, or the charges to the net capital requirements of, underwriters;

(f) There shall be in effect a general suspension of trading or other material restrictions on the New York Stock Exchange or other national securities exchange not in effect as of the date hereof;

(g) There shall have occurred the declaration of a general banking moratorium by any authority of the United States, the State of New York or the State of California;

(h) An event, fact or condition shall have occurred or become known which, in the reasonable opinion of the Representative, causes the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements made therein, in the light of the circumstances under which they were made, not misleading; or

(i) A material disruption in municipal bond market securities settlement, payment or clearance services affecting the Bonds shall have occurred.

11. Good Faith Deposit. To secure the Commission from any loss resulting from the failure of the Underwriters to accept delivery of and pay the Purchase Price for the Bonds pursuant to the terms of this Purchase Agreement, the Representative agrees to deliver to the Commission, concurrently with the execution and delivery of this Purchase Agreement, a federal funds wire transfer in the amount of \$\_\_\_\_\_ (the “**Good Faith Deposit**”). The Good Faith Deposit will, immediately upon the Commission’s acceptance of this offer, become the property of the Commission. The Good Faith Deposit will be held and invested for the exclusive benefit of the Commission. If the Underwriters fail to pay the Purchase Price in full upon tender of the Bonds (other than for a reason expressly set forth in any of Section 9 or Section 10 hereof, or in any of Section 1, Section 7, or Section 8 of Appendix A hereto), the Commission may retain such Good Faith Deposit as and for liquidated damages for such failure by the Underwriters. In such circumstance, the Representative will have no right to recover the Good Faith Deposit or to any allowance or credit therefor. Retaining the Good Faith Deposit shall constitute the Commission’s sole and exclusive remedy and full liquidated damages for the Underwriters’ failure (other than for a reason expressly set forth herein) to purchase and accept delivery of the Bonds pursuant to the terms of this Purchase Agreement and the Underwriters shall be released and discharged from any and all claims for damages by the Commission against the Underwriters related to such failure and any other defaults by the Underwriters hereunder. The Underwriters and the Commission hereby acknowledge and agree that the amount fixed pursuant to this Section for liquidated damages does not constitute a penalty and is a reasonable estimate of the damages that the Commission would sustain in the event of the Underwriters’ failure to purchase and to accept delivery of the Bonds on the Closing Date pursuant to the terms of this Purchase Agreement. The amount is agreed upon and fixed as liquidated damages because of the difficulty of ascertaining as of the date hereof the actual amount of damages that would be sustained in such event. If this Purchase Agreement is terminated for a reason set forth in any of Section 9, Section 10 hereof, or in any of Section 1, Section 7, or Section 8 of Appendix A hereto, the Commission shall promptly return the Good Faith Deposit to the Representative. Upon such return of the Good Faith Deposit to the Representative this Purchase Agreement shall terminate, and the parties shall have no further obligations hereunder except that the Commission and the Underwriters shall pay their respective expenses as set forth in Section 12 hereof.

12. Expenses. (a) The Underwriters shall be under no obligation to pay and the Commission shall pay or cause to be paid the expenses incident to the performance of the Commission’s obligations hereunder including but not limited to (i) the fees and disbursements of Co-Bond Counsel and Disclosure Counsel to the Commission, the Co-Municipal Advisors and any other advisors, experts or consultants retained by the Commission; (ii) the cost of preparation and printing and signing of the Bonds and the registration of the Bonds; (iii) the cost of preparation and printing of the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto; and (iv) any fees or charges of rating agencies for the ratings of the Bonds. The Commission is reimbursing the Underwriters, as part of the expense component of the Underwriters’ discount, costs (if any) incurred on behalf of the Commission for meals, transportation, lodging and/or incidentals for Commission representatives, solely for business purposes, with respect to the Bonds, including without limitation in connection with the

development, structuring, rating agency review, marketing, pricing, sale and/or closing of the Bonds.

(b) The Underwriters shall pay: (i) the cost of preparation and printing of the Blue Sky documents; (ii) all advertising expenses incurred by the Underwriters in connection with the public offering of the Bonds; (iii) the fees and disbursements of Underwriters' Counsel; [(iv) the fees of Digital Assurance Certification, L.L.C., for a continuing disclosure undertaking compliance review;] and (v) all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds, including without limitation, travel expenses, CDIAC fees, any fees charged by the MSRB, any blue sky fees and costs of assigning CUSIP numbers to the Bonds. The foregoing expenses, other than any MSRB fee, shall be reimbursed by the Commission through the expense component of the Underwriters' discount (including the CDIAC fees notwithstanding that such fees are solely the obligation of the Underwriters).

13. Mandatory City Contracting Provisions. The Underwriters agree to comply with the provisions set forth in Appendix A, attached hereto, which are incorporated herein by this reference.

14. Notices. Any notice or other communication to be given to the Commission under this Purchase Agreement (other than the acceptance hereof as specified in the paragraph preceding Section 1) may be given by delivering the same in writing to the Airport Director, Airport Commission of the City and County of San Francisco, San Francisco International Airport, International Terminal, P.O. Box 8097, San Francisco, California 94128; any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to the Representative, as follows:

RBC Capital Markets LLC  
Two Embarcadero Center, 12th Floor  
San Francisco, CA 94111  
Attn: Tom Yang, Managing Director

15. Governing Law. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California. This Purchase Agreement shall be enforceable in the State of California, and any action arising out of this Purchase Agreement shall be filed with and maintained in City and County of San Francisco Superior Court, San Francisco, California; provided, that the Commission may waive the requirement of venue.

16. Arm's Length Transaction. The Commission acknowledges that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement are arm's-length, commercial transactions between the Commission and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as a municipal advisor, financial advisor, agent or fiduciary of the Commission and may have financial and other interests that differ from those of the Commission, (iii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Commission with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto; and (iv) the Commission has consulted with its own legal and financial advisors in connection with the offering of the Bonds.

17. Parties in Interest. This Purchase Agreement when accepted by the Commission in writing as specified in the paragraph preceding Section 1 shall constitute the entire agreement between the Commission and the Underwriters and is solely for the benefit of the Commission and the Underwriters. All representations and agreements of the Commission in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Bonds hereunder and (c) any termination of this Purchase Agreement.

18. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

19. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Airport Director and shall be valid and enforceable at the time of such acceptance.

20. Limited Liability. The obligations and liabilities of the Commission hereunder are limited obligations of the Commission payable solely from Revenues as defined and set forth in the Bond Resolution. Neither the Commissioners, the officers or employees of the Commission, nor any person executing this Purchase Agreement on behalf of the Commission shall be liable personally for the obligations of the Commission hereunder or be subject to any personal liability or accountability by reason of the execution hereof. Neither of the faith and credit nor the taxing power of the State or any political subdivision thereof, including the City, is pledged to the obligations of the Commission hereunder.

21. Counterparts. This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

22. Entire Agreement. This Purchase Agreement is the sole agreement of the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written. This Purchase Agreement may only be amended by a writing executed by the authorized representatives of the parties.

[THE NEXT PAGE CONTAINS SIGNATURES ONLY]

RBC CAPITAL MARKETS, LLC AND  
RAYMOND JAMES & ASSOCIATES, INC.

By: RBC CAPITAL MARKETS, LLC  
as Representative

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

APPROVED AS TO FORM:

DENNIS J. HERRERA  
City Attorney

ACCEPTED AT [\_\_\_\_\_] [A.M./P.M.] P.S.T.  
THIS [\_\_\_\_\_] DAY OF [\_\_\_\_], 20\_\_

BY:

AIRPORT COMMISSION OF THE CITY  
AND COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_  
Brooke D. Abola  
Deputy City Attorney

By: \_\_\_\_\_  
Ivar C. Satero  
Airport Director

The obligations set forth under Section 1,  
Subsections 9(d)(xx), 9(d)(xxi), and 9(d)(xxii)  
and Section 12 are hereby acknowledged and  
and agreed to by:

SFO FUEL COMPANY, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX A

### CITY AND COUNTY OF SAN FRANCISCO MANDATORY CONTRACTING PROVISIONS

The following provisions shall apply to the Purchase Agreement as if set forth in the text thereof. Capitalized terms used but not defined in this Appendix shall have the meanings given in the Purchase Agreement.

1. Nondiscrimination; Penalties.

(a) *Non Discrimination in Contracts.* Each Underwriter shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Each Underwriter shall incorporate by reference in any subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require any subcontractors to comply with such provisions. Each Underwriter is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(b) *Nondiscrimination in the Provision of Employee Benefits.* San Francisco Administrative Code 12B.2. Each Underwriter does not as of the date of this Purchase Agreement, and will not during the term of this Purchase Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the Commission elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

(c) *Condition to Contract.* As a condition to the Purchase Agreement, each Underwriter shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

2. MacBride Principles—Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated by this reference and made part of this Purchase Agreement. By entering into this Purchase Agreement, each Underwriter confirms that it has read and understood that the Commission urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

3. Tropical Hardwood and Virgin Redwood Ban. Under San Francisco Environment Code Section 804(b), the Commission urges each Underwriter not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

4. Alcohol and Drug-Free Workplace. The Commission reserves the right to deny access to, or require each Underwriter to remove from, City facilities personnel of such Underwriter who the Commission has reasonable grounds to believe has engaged in alcohol abuse

or illegal drug activity which in any way impairs the City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. The Commission shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

5. Compliance with Americans with Disabilities Act. Each Underwriter shall provide the services specified in the Purchase Agreement in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

6. Sunshine Ordinance. Each Underwriter acknowledges that this Purchase Agreement and all records related to its formation, such Underwriter's performance of services provided under the Purchase Agreement, and the Commission's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

7. Limitations on Contributions. By executing this Purchase Agreement, each Underwriter acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The prohibition on contributions applies to each prospective party to the contract; each member of each Underwriter's board of directors; each Underwriter's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in such Underwriter; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by such Underwriter. Each Underwriter must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

8. Requiring Minimum Compensation for Covered Employees. Each Underwriter shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12P. By entering into this Purchase Agreement, each Underwriter certifies that it is in compliance with Chapter 12P.

9. Requiring Health Benefits for Covered Employees. Each Underwriter shall comply

with San Francisco Administrative Code Chapter 12Q. Each Underwriter shall choose and perform one of the Health Care Accountability options set forth in San Francisco Administrative Code Chapter 12Q.3. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12Q.

10. Prohibition on Political Activity with City Funds. In performing the services provided under the Purchase Agreement, each Underwriter shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Purchase Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12G.

11. Nondisclosure of Private, Proprietary or Confidential Information. If this Purchase Agreement requires the Commission to disclose “Private Information” to an Underwriter within the meaning of San Francisco Administrative Code Chapter 12M, each Underwriter shall use such information consistent with the restrictions stated in Chapter 12M and in this Purchase Agreement and only as necessary in performing the services provided under the Purchase Agreement. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12M.

In the performance of services provided under the Purchase Agreement, each Underwriter may have access to the City’s proprietary or confidential information, the disclosure of which to third parties may damage the City. If the City discloses proprietary or confidential information to an Underwriter, such information must be held by such Underwriter in confidence and used only in performing the Purchase Agreement. Each Underwriter shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or confidential information.

12. Consideration of Criminal History in Hiring and Employment Decisions. Each Underwriter agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Purchase Agreement. The text of Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of the Underwriters’ obligations under Chapter 12T is set forth in this Section. Each Underwriter is required to comply with all of the applicable provisions of Chapter 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Purchase Agreement shall have the meanings assigned to such terms in Chapter 12T.

The requirements of Chapter 12T shall only apply to an Underwriter’s operations to the extent those operations are in furtherance of the performance of this Purchase Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Purchase Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco which excludes Airport property. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.



13. Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Commission on April 18, 2001, the Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

14. Submitting False Claims; Monetary Penalties. The full text of San Francisco Administrative Code §§ 21.35, including the enforcement and penalty provisions, is incorporated into this Purchase Agreement. Under San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

15. Conflict of Interest. By entering into the Purchase Agreement, each Underwriter certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the Commission if it becomes aware of any such fact during the term of this Purchase Agreement.

16. Assignment. The services provided under the Purchase Agreement to be performed by each Underwriter are personal in character and neither this Purchase Agreement nor any duties or obligations may be assigned or delegated by an Underwriter unless first approved by the Commission by written instrument executed and approved in the same manner as this Purchase Agreement. Any purported assignment made in violation of this provision shall be null and void.

17. Food Service Waste Reduction Requirements. Each Underwriter shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the provided remedies for noncompliance.

18. Cooperative Drafting. This Purchase Agreement has been drafted through a cooperative effort of the Commission and the Underwriters, and all parties have had an opportunity to have the Purchase Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Purchase Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Purchase Agreement.

19. Sugar-Sweetened Beverage Prohibition. Each Underwriter agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Purchase Agreement.

20. First Source Hiring Program. Each Underwriter must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Purchase Agreement, and each Underwriter is subject to the enforcement and penalty provisions in Chapter 83.

21. Laws Incorporated by Reference. The full text of the laws listed in this Appendix A, including enforcement and penalty provisions, are incorporated into this Purchase Agreement by reference. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Appendix A are available at [www.sfgov.org](http://www.sfgov.org) under “Open Gov.”

22. Federal Fair Labor Standards Act. This Purchase Agreement incorporates by reference the provisions of 29 USC §201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Each Underwriter has full responsibility to monitor compliance to the referenced statute or regulation. Each Underwriter must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

23. Occupational Safety and Health Act of 1970. This Purchase Agreement incorporates by reference the requirements of 29 CFR §1910 with the same force and effect as if given in full text. Each Underwriter must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Each Underwriter retains full responsibility to monitor its compliance and its subcontractors’ compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR §1910). Each Underwriter must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

24. Federal Nondiscrimination Provisions. During the performance of this Purchase Agreement, each Underwriter, for itself, its assignees, and successors in interest (hereinafter referred to as “Underwriter”) agrees as follows:

(a) *Compliance with Regulations.* The Underwriter (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Purchase Agreement.

(b) *Nondiscrimination.* The Underwriter, with regard to the work performed by it during the Purchase Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Underwriter will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Purchase Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR §21.

(c) *Solicitations for Subcontracts.* Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Underwriter for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Underwriter of Underwriter's obligations under this Purchase Agreement and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

(d) *Information and Reports.* The Underwriter will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Commission or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Commission or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(e) *Sanctions for Noncompliance.* In the event of a contractor's noncompliance with the Non-discrimination provisions of this Purchase Agreement, the Commission will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to: (1) withholding payments to the contractor under the contract until the contractor complies; and/or (2) cancelling, terminating, or suspending a contract, in whole or in part.

(f) *Incorporation of Provisions.* The Underwriter will include the provisions of paragraphs (a) through (e) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Underwriter will take action with respect to any subcontract or procurement as the Commission or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Underwriter becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Underwriter may request the Commission to enter into any litigation to protect the interests of the Commission. In addition, the Underwriter may request the United States to enter into the litigation to protect the interests of the United States.

(g) *Title VI List of Pertinent Nondiscrimination Acts and Authorities.* During the performance of this Purchase Agreement, each Underwriter, for itself, its assignees, and successors in interest (hereinafter referred to as the "Underwriter") agrees to comply with the following non-discrimination statutes and authorities; including, but not limited to:

(i) Title VI of the Civil Rights Act of 1964 (42 USC §2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

(ii) 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC §4601), (prohibits unfair treatment of persons displaced or whose property

has been acquired because of Federal or Federal-aid programs and projects);

(iv) Section 504 of the Rehabilitation Act of 1973, (29 USC. §794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR §27;

(v) The Age Discrimination Act of 1975, as amended, (42 USC §6101 et seq.), (prohibits discrimination on the basis of age);

(vi) Airport and Airway Improvement Act of 1982, (49 USC §471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

(vii) The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(viii) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR §37 and 38 and the Department of Justice regulations at 28 CFR, parts 35 and 36;

(ix) The Federal Aviation Administration’s Non-discrimination statute (49 USC §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(x) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

(xi) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 CFR at 74087 to 74100); and

(xii) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC §1681 et seq.).

**APPENDIX B**

**LETTER OF REPRESENTATION OF THE OBLIGOR**

**LETTER OF REPRESENTATION  
OF SFO FUEL COMPANY LLC**

RBC Capital Markets, LLC  
Two Embarcadero Center, 12th Floor  
San Francisco, California 94111

\_\_\_\_\_, 2019

Airport Commission of the City and  
County of San Francisco  
San Francisco International Airport  
San Francisco, California 94111

Ladies and Gentlemen:

This Letter of Representation (the “**Letter of Representation**”) is given to the Airport Commission of the City and County of San Francisco (the “**Commission**”) and to RBC Capital Markets, LLC, as representative (the “**Representative**”) of the underwriters listed in the Bond Purchase Agreement, dated \_\_\_\_\_, 201\_\_ (the “**Bond Purchase Agreement**”), entered into between the Airport Commission of the City and County of San Francisco (the “**Commission**”) and the Representative (the Representative and Raymond James & Associates, Inc. are together referred to herein as the “**Underwriters**”) and acknowledged by SFO Fuel Company LLC, a Delaware limited liability company (the “**Obligor**”) with respect to (a) \$\_\_\_\_\_ aggregate principal amount of the Commission’s San Francisco International Airport Special Facility Lease Revenue Bonds (SFO FUEL COMPANY LLC) Series 2019A (AMT) (the “**Series 2019A Bonds**”) and (b) \$\_\_\_\_\_ aggregate principal amount of the Commission’s San Francisco International Airport Special Facility Lease Revenue Bonds (SFO FUEL COMPANY LLC) Series 2019B (Federally Taxable) (the “**Series 2019B Bonds**” and, collectively with the Series 2019A Bonds and the Series 2019B Bonds, the “**Bonds**”)

The Bonds shall be dated \_\_\_\_\_ and shall mature in the amounts and at the times and be subject to optional and mandatory redemption as described in the Official Statement, dated the date hereof and relating to the Bonds (said Official Statement, including the cover page, the page containing the table of contents and all Appendices thereto and all the information incorporated by reference therein, as the same may be supplemented and amended from time to time prior to the Closing (as defined in the Bond Purchase Agreement), the “**Official Statement**”). The Bonds shall bear interest payable on the dates and at the interest rates, and shall have the other details set forth in such Official Statement and in the Bond Purchase Agreement. The Bonds shall be issued as Additional Bonds as defined in and under and pursuant to a Trust Agreement, dated as of May 1, 1997 (the “**Original Trust Agreement**”), between the Commission and BNY Western Trust Company, as trustee, as supplemented by the First Supplemental Trust Agreement, dated as of

May 1, 2000 (the “**First Supplemental Trust Agreement**”) between the Commission and BNY Western Trust Company, as trustee, and as supplemented by the Second Supplemental Trust Agreement, dated as of January 1, 2019, (the “**Second Supplemental Trust Agreement**” between the Commission and The Bank of New York Mellon Trust Company, N.A., as successor trustee (“**Trustee**”). The Second Supplemental Trust Agreement collectively with the First Supplemental Trust Agreement and the Original Trust Agreement is referred to herein as the “**Trust Agreement**”). Capitalized terms used herein and not defined herein which are defined in the Official Statement shall have the meanings assigned to such terms therein.

The Commission and the Obligor have entered into the Fuel System Lease, dated as of September 1, 1997, as previously amended to the date hereof (the “**Original Fuel Lease**”), as further amended by that Amendment to Fuel System Lease, dated as of January 1, 2019, by and between the Commission and the Obligor (the “**Fuel Lease Amendment**” and together with the Original Fuel Lease, the “**Fuel System Lease**”). The payments of Facilities Rent (as such term is defined under the Fuel System Lease) to be received by the Commission under the Fuel System Lease have been assigned to the Trustee under the Trust Agreement to pay and secure the payment of the principal of, and interest and premium, if any, on the Bonds.

**1. Representations, Warranties, Covenants and Agreements of the Obligor.** In order to induce the Commission to issue the Bonds and to permit the Underwriters to sell the Bonds as contemplated in the Bond Purchase Agreement; the Obligor hereby represents, warrants, covenants and agrees with the Underwriters and the Commission as follows:

(a) The Obligor is a Delaware limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware with full power and authority to transact business in the State of California and to carry out its business in the State of California as contemplated by the transactions described in this Letter of Representation, including the Company Documents (defined below) and the Official Statement and to execute, deliver and perform its obligations under this Letter of Representation.

(b) The Fuel System Lease, a Guaranty dated as of September 1, 1997 (the “**Guaranty**”) by the Obligor in favor of the Trustee, a Security Agreement dated as of September 1, 1997 (the “**Security Agreement**”) by the Obligor in favor of the Trustee, the Amended and Restated Limited Liability Company Agreement of SFO Fuel Company LLC, dated as of September 1, 1997 (the “**LLC Agreement**”) among the Obligor and the Members, the First Amendment to Amended and Restated Limited Liability Company Agreement of SFO Fuel Company LLC, dated as of December 31, 1998 (the “**First Amendment to LLC Agreement**”), the Second Amendment to Amended and Restated Limited Liability Company Agreement of SFO Fuel Company LLC, effective as of December 7, 2017 (“**Second Amendment to LLC Agreement**” and together with the LLC Agreement and the First Amendment to LLC Agreement, collectively referred to as the “**LLC Agreement**”), among the Obligor and the Members, the Tax Certificate with respect to the Bonds described in the Bond Purchase Agreement (the “**Tax Certificate**”) a Continuing Disclosure Agreement with respect to the Bonds, between the Trustee and the Obligor (the “**Obligor Continuing Disclosure Agreement**”), the Interline Agreement, dated as of September 1, 1997 (the “**Interline Agreement**”), among the Obligor and the Contracting Airlines, and the Fuel System Maintenance, Operation and Management Agreement,

dated as of September 1, 2016 (the “**Fuel System Operating Agreement**”) between the Obligor and Aircraft Service International, Inc. now known as Menzies Aviation (collectively, the “**Obligor Agreements**”) constitute, or, will constitute as of their dates, valid and binding obligations of the Obligor, enforceable against the Obligor in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws affecting and relating to the enforcement of creditors’ rights generally and by the availability of equitable remedies. For the past five years, except as otherwise disclosed in the Preliminary Official Statement, the Obligor has been and is now in compliance in all material respects with all of its continuing disclosure obligations under Rule 15c2-12.

(c) The Obligor has taken all necessary actions required to approve the Official Statement and to execute and deliver its approval of the Official Statement. When executed and delivered, this Letter of Representation will constitute a valid and binding obligation of the Obligor, enforceable against the Obligor in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting and relating to the enforcement of creditors’ rights generally and by the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) The Obligor confirms that the Preliminary Official Statement was “deemed final” as of its date by the Obligor and within the meaning of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The Obligor agrees that it shall cooperate with the Commission in delivering or causing to be delivered to the Underwriters within seven (7) business days after the pricing of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer purchasing Bonds, copies of the Official Statement in sufficient quantity to enable the Underwriters to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (“**MSRB**”). Subject to the last sentence of this Section 1(d), the Preliminary Official Statement as of its date and the date hereof was, and the Official Statement on the date hereof is and at the Closing Date will be, true and correct in all material respects for the purposes for which its use was authorized; and, subject to the last sentence of this Section 1(d), the Preliminary Official Statement as of its date and the date hereof did not and the Official Statement on the date hereof and at the Closing Date does not and will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Obligor authorizes the Underwriters to use the Official Statement, and ratifies and approves the use of the Preliminary Official Statement by the Underwriters prior to the date hereof, in connection with the public offering and sale of the Bonds. The Obligor confirms that it approves the purchase price to be paid by the Underwriters for the Bonds under the Bond Purchase Agreement as set forth in the Official Statement, as well as the other terms of the Bonds and all of the terms and conditions of the issuance, sale and delivery of the Bonds as set forth in the Bond Purchase Agreement and the offering prices for the Bonds and the maturities and interest dates to be borne by the Bonds as set forth in the Official Statement. Notwithstanding the foregoing, the Obligor does not make any representation, warranty, covenant or agreement with respect to the following statements in or sections of the Official Statement: statements expressly attributed to the Commission or the City; initial offering prices or yields included on the cover of the Official Statement; “SAN FRANCISCO INTERNATIONAL AIRPORT”; “UNDERWRITING”;

“CERTAIN RELATIONSHIPS;” “TAX MATTERS”; “APPENDIX B – Information regarding DTC and the Book Entry-Only System;” “APPENDIX C - Summaries of Certain Provisions of the General Trust Agreement, the Second Supplemental Trust Agreement and the Fuel System Lease - The Trust Agreement”; and statements in other portions of the Official Statement concerning the Depository Trust Company, its system and procedures; and [“APPENDIX G – Specimen Reserve Account Surety Bond Policy”]. <To be modified as needed once POS finalized.>

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Obligor, threatened, against the Obligor: (i) which could reasonably be expected to materially and adversely affect (w) the business, operations or financial condition of the Obligor, or (x) the operation, condition or feasibility of the Leased Premises or the Right-of-Way; or (ii) wherein an adverse decision, ruling or finding would (x) adversely affect the transactions contemplated by the Obligor Agreements or the Official Statement, (y) adversely affect the validity or enforceability of the Obligor Agreements or the Bonds, or (z) materially and adversely affect the ability of the Obligor to perform its obligations under the Obligor Agreements.

(f) No event of default or event which, with notice or lapse of time or both, would constitute an event of default or a default by the Obligor under the Fuel System Lease, any other Obligor Agreement or any material agreement or material instrument to which the Obligor is a party or by which the Obligor is bound or to which any of the property or assets of the Obligor is subject has occurred and is continuing which would have an adverse effect on the financial condition of the Obligor or the transactions contemplated by the Official Statement. The execution and delivery of the Obligor Agreements, the acknowledgment of the Bond Purchase Agreement, the execution and delivery of this Letter of Representation, the consummation of the other transactions contemplated by the Official Statement and the fulfillment of the terms hereof or thereof by the Obligor as of the date hereof and as of the Closing Date, will not (i) contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or any governmental instrumentality applicable to the Obligor, or (ii) conflict with, violate or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, the Fuel System Lease, any other Obligor Agreement or any corporate restriction or any indenture, agreement or instrument by which the Obligor is bound, or (except as expressly contemplated by the Obligor Agreements) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Obligor under the terms of any such indenture, agreement, instrument, order, rule or regulation.

(g) The Obligor will not take or omit to take any action which action or omission will in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Fuel System Lease, the Interline Agreement, the Tax Certificate and the Trust Agreement as amended and in force from time to time.

(h) No order, consent, approval, license, permit, authorization or validation of, or filing, recording or registration with (except as may have been obtained or made prior to the Closing Date), or exemption by any governmental authority, legislative body, board, agency, commission or public body or any subdivision thereof having jurisdiction of the matter with



respect to the Obligor, is required to authorize, or is required in connection with: (i) (A) the execution and delivery of the approval of the Official Statement by the Obligor, or (B) the execution, delivery and performance by the Obligor of any Obligor Agreement or this Letter of Representation; or (ii) in order for the Obligor Agreements to be legal, valid, binding and enforceable obligations of the Obligor. Notwithstanding the foregoing, the Obligor does not make any representation, warranty, covenant or agreement with respect to compliance with “Blue Sky” or similar securities laws or regulations of any state.

(i) The Obligor is in compliance with all applicable statutes, regulations and orders of all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls) except such noncompliance as would not, in the aggregate, have a material adverse effect on the business, operations, property, assets or condition (financial or otherwise) of the Obligor.

(j) To the knowledge of the Obligor, as to the Contracting Airlines, the Interline Agreement is in full force and effect and constitutes the legal, valid and binding obligation of each of the Contracting Airlines, enforceable against each of the Contracting Airlines, except as enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors’ rights generally and by the availability of equitable remedies. To the knowledge of the Obligor, none of the Contracting Airlines is in default under the Interline Agreement, and no event has occurred which, with notice or the lapse of time or both, would constitute such a default by any Contracting Airline.

(k) The Obligor will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request to obtain investment grade ratings with respect to the Bonds.

(l) Any certificate signed by a representative of the Obligor and delivered to the Commission, the Underwriters or Co-Bond Counsel shall be deemed a representation and warranty by the Obligor hereunder to the Commission, the Underwriters or Co-Bond Counsel as to the truth of the statements made therein.

(m) The Obligor will notify the Underwriters and the Commission if, prior to the date of the Closing, the Obligor becomes aware of the occurrence of any event, or any pre-existing fact or condition shall become known to the Obligor, which, in the judgment of the Obligor, makes any statement in the Official Statement untrue in any material respect or which requires the making of any change in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Obligor will thereupon diligently cooperate with the Underwriters and the Commission to make any such changes. During the period from the date of delivery of the Official Statement to the end of the underwriting period (as defined in the Bond Purchase Agreement, if the Obligor becomes aware of the occurrence of any event or any pre-existing fact or condition shall become known to the Obligor as a result of which, in the opinion of the Obligor, it is necessary to amend or supplement the Official Statement in order to cause the same to not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of

the circumstance under which they were made, not misleading, the Obligor, with the approval of the Commission (which approval shall not be unreasonably withheld), will prepare and furnish to the Underwriters either amendments or supplements to the Official Statement so that the Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(n) The descriptions of the Obligor Agreements which are contained in the Preliminary Official Statement and the Official Statement conform in all material respects to the Obligor Agreements.

(o) Between the date hereof and the Closing, except as contemplated in the Official Statement, the Obligor will not, without the prior written consent of the Commission and the Representative, incur any material liabilities or obligations direct or contingent, other than in the ordinary course of business.

(p) Between the date of its acceptance of this Letter of Representation and the Closing, the Obligor will not, without prior written consent of the Underwriters and the Commission, amend or modify the Obligor Agreements other than by the Fuel Lease Amendment.

(q) The Obligor will furnish such information to, and execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request (z) to qualify the Bonds for offer and sale under the "Blue Sky" or, similar securities laws or regulations of any state as the Underwriters may (in their sole discretion) designate, (ii) for the application for exemption from such qualification, and (iii) for the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriters designate, and to provide for the continuance of such qualifications or exemptions in effect for so long as required for distribution of the Bonds. Notwithstanding the foregoing, the Obligor shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to service of process in any jurisdiction where it is not now so subject. The Commission and the Underwriters understand and agree that the Obligor is not responsible for compliance, or the consequences or failure to comply, with applicable "Blue Sky" or similar securities laws or regulations of any state.

(r) The Obligor agrees to take all actions and to perform and observe all of the obligations and covenants contemplated to be taken, performed and observed by it in Sections 1, 9(a)(xx), 9(a)(xxi), 9(a)(xxii) and 12 of the Bond Purchase Agreement, subject to all of the terms and conditions set forth therein.

(s) The audited financial statement of the Obligor at December 31, 2017 and the related statement of activities and of cash flows for the year ended on such date (i) present fairly, in all material respects, the financial position, results of operations and cash flows of the Obligor at the respective dates and for the respective periods indicated therein, and (ii) were prepared in accordance with generally accepted accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the notes to such financial statements). Since December 31, 2017, the date of the most recent balance sheet included in such

financial statement, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a material adverse effect on the assets, business, operations, property or financial condition of the Obligor, which is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business.

**2. Expenses.** The Obligor will pay or reimburse, or cause the Trustee under the Trust Agreement to pay or reimburse, expenses in accordance with Section 12 of the Bond Purchase Agreement. If the Bonds are not issued for any reason, such expenses (excluding expenses of the Underwriters as provided in Section 12(b) of the Bond Purchase Agreement) shall be allocated among the Commission and the Obligor as the same shall hereafter agree.

**3. Indemnification.**

The Obligor will indemnify and hold harmless the Underwriters, each of their respective directors, officers, officials, and employees and each person who controls the Underwriters within the meaning of Section 15 of the Securities Act of 1933, as amended (the “**Securities Act**”) (any such person for the purposes of this paragraph (a), an “**Indemnified Party**”), against all losses, claims, damages, liabilities and expenses, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any out-of-pocket attorneys’ fees and other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon (1) an allegation or determination that the Bonds, or any Obligor Agreement should have been registered under the Securities Act or the Trust Agreement should have been qualified under the Trust Indenture Act, or (2) any untrue or misleading statement, or alleged untrue or misleading statement, of a material fact contained in the Preliminary Official Statement or Official Statement or any amendment of or supplement to the Preliminary Official Statement or Official Statement or the omission or alleged omission to state in them a material fact necessary to make the statements in them in light of the circumstances in which they were made, not misleading, except statements expressly attributed to the Commission or the City; initial offering prices or yields included on the cover of the Official Statement; “SAN FRANCISCO INTERNATIONAL AIRPORT”; “UNDERWRITING”; “CERTAIN RELATIONSHIPS;” “TAX MATTERS”; “APPENDIX B – Information regarding DTC and the Book Entry-Only System;” “APPENDIX C - Summaries of Certain Provisions of the General Trust Agreement, the Second Supplemental Trust Agreement and the Fuel System Lease - The Trust Agreement”; and statements in other portions of the Official Statement concerning the Depository Trust Company, its system and procedures; and [“APPENDIX G – Specimen Reserve Account Surety Bond Policy”]. <To be modified as needed once POS finalized.> The Obligor shall not be liable to the Underwriters under this paragraph: (i) where the person asserting any such loss, claim, damage, expense or liability purchased Bonds from the Underwriters, and delivery to such person of the Official Statement or any amendment of or supplement to the Official Statement would have been a valid defense to the action from which such loss, claim, damage, expense or liability arose and if the Official Statement amendment or supplement was not delivered to such person by or on behalf of the Underwriters; or (ii) for or in any manner related to any violation or alleged violation in the offering or sale of the Bonds by the Underwriters of the Blue Sky laws or any other laws applicable to the offering or sale of the Bonds, or the laws of any jurisdiction

in which any such offering or sale is made, provided that this exclusion of liability shall not apply if such violation or alleged violation arises from or in connection with any action or inaction of any person other than an Underwriter, its officers, employees or agents. This indemnity agreement will not limit any other right, obligation or liability the Obligor may otherwise have to any Indemnified Party.

(b) The Underwriters will indemnify and hold harmless the Commission and the City and the members, directors, officers, officials and employees and each person who controls any of them within the meaning of Section 15 of the Securities Act (any such person for the purposes of this paragraph (b), an “**Indemnified Party**”) against all losses, claims, damages, liabilities and expenses, joint or several, to which such Indemnified Party may become subject under any statute or law or in equity or otherwise, and will reimburse any such Indemnified Party for any attorneys’ fees and other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon an untrue statement, or alleged untrue statement, of a material fact contained in the Official Statement under the caption “Underwriting.”

(c) The Underwriters will indemnify and hold harmless the Obligor and the members, directors, officers, officials and employees and each person who controls any of them within the meaning of Section 15 of the Securities Act (any such person for the purposes of this paragraph (c), an “**Indemnified Party**”) against all losses, claims, damages, liabilities and expenses, joint or several, to which such Indemnified Party may become subject under any statute or law or in equity or otherwise, and will reimburse any such Indemnified Party for any attorneys’ fees and other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Official Statement under the caption “Underwriting”; (ii) any violation or alleged violation in the offering or sale of the Bonds by the Underwriters of the Blue Sky laws or any other laws applicable to the offering or sale of the Bonds, or the laws of any jurisdiction in which any such offering or sale is made, provided that the Underwriters’ duty to indemnify under this clause (ii) shall not apply in the event and to the extent that such violation or alleged violation arises from or in connection with any action or inaction of any person other than an Underwriter, its officers, employees or agents; or (iii) the failure of the Underwriters to send or give to any purchaser of any Bonds a copy of the Official Statement or any supplement thereto pursuant to Section 6 of the Bond Purchase Agreement in accordance with MSRB Rule G-32. The Underwriters shall not be liable to the Obligor under this paragraph (c) for any losses, claims, damages, liabilities or expenses arising out of or based upon the matters covered by the Obligor’s indemnity obligations and described in Section 3(a)(1) or (2) hereof.

(d) The Obligor agrees to indemnify and hold harmless the City, the Commission, the Trustee (as such term is defined in the Fuel System Lease) and each of their respective directors, members, officers, employees, agents and each person, if any, who controls the City, the Commission or the Trustee within the meaning of Section 15 of the Act (any such person for the purpose of this paragraph (d), an “**Indemnified Party**”) from and against any and all losses, claims, damages, liabilities or expenses (including the reasonable costs of investigation and attorneys’ fees) to which, jointly or severally, such Indemnified Party may become subject arising out of or relating to the issuance and sale of the Bonds, including without limitation any

such loss, claim, damage, liability or expense (or actions with respect thereto) arising out of or based on any untrue statement or alleged untrue statement of a material fact contained in the Official Statement or any supplement thereto or the omission or the alleged omission to state therein a material fact necessary to make the statements therein, at the time and in the light of the circumstances under which they were made, not misleading; provided, that this agreement shall not apply to any Indemnified Party for any untrue statement of any material fact or omission or alleged omission of any material fact arising out of or based upon the following statements in or sections of the Official Statement: statements expressly attributed to the Commission or the City; initial offering prices or yields included on the cover of the Official Statement; “UNDERWRITING”; “TAX MATTERS”; “APPENDIX B – Information regarding DTC and the Book Entry-Only System,” and statements in other portions of the Official Statement concerning the Depository Trust Obligor, its system and procedures; APPENDIX C – “Summaries of Certain Provisions of the General Trust Agreement, the Second Supplemental Trust Agreement and the Fuel System Lease - The Trust Agreement”; and [“APPENDIX G – Specimen Reserve Account Surety Bond Policy”].

(e) An Indemnified Party (as defined in paragraph (a), (b), (c) or (d) of this Section 3) will, promptly after receiving notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Obligor or the Underwriters, as the case may be (in any case, the “**Indemnifying Party**”), notify the Indemnifying Party (with a copy to the other party hereto) in writing of the commencement of the action. Failure of the Indemnified Party to give such notice will reduce the liability of the Indemnifying Party under Section 3 of this Letter of Representation by the amount of the damages which the Indemnifying Party proves were attributable to the failure to give the notice; but the failure will not relieve the Indemnifying Party from any liability it may have to such Indemnified Party otherwise than under the indemnity agreement in this Section 3. If such action is brought against an Indemnified Party and such Indemnified Party notifies the Indemnifying Party of its commencement, the Indemnifying Party may, or if so requested by the Indemnified Party shall, participate in or assume its defense, with counsel reasonably satisfactory to the Indemnified Party; and after notice from the Indemnifying Party to the Indemnified Party of an election to assume the defense, the Indemnifying Party will not be liable to the Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense other than reasonable costs of investigation. Until the Indemnifying Party assumes the defense at the request of the Indemnified Party, the Indemnifying Party may participate at its own expense in the defense. If the Indemnifying Party does not employ counsel to have charge of the defense or if any Indemnified Party reasonably concludes that there may be defenses available to it or them which are different from or in addition to those available to the Indemnifying Party (in which case the Indemnifying Party will not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party will be paid by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party.

(f) The indemnity and other agreements contained in Section 3 of this Letter of Representation and the representations and warranties of the Obligor set forth in this Letter of

Representation shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriters, the Obligor, the City, or the Commission or any other Indemnified Party, (ii) any termination of the Bond Purchase Agreement, this Letter of Representation, the Fuel System Lease, the Trust Agreement, the Interline Agreement or any other Obligor Agreements, or (iii) the delivery and sale of the Bonds. Any successor or assign of any Underwriter, the City or the Commission, the Obligor and any other Indemnified Party, as the case may be, shall be entitled to the benefit of the indemnity agreements contained in this Section 3. The term “successor” or “assign” shall not include any purchaser of Bonds from the Underwriters merely because of such purchase.

**4. Arm’s Length Transaction.** The Obligor acknowledges that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement are arm’s length, commercial transactions between the Obligor and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as a municipal advisor, financial advisor, agent or fiduciary of the Obligor and may have financial and other interests that differ from those of the Obligor, (iii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Obligor with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto; and (iv) the Obligor has consulted with its own legal and financial advisors in connection with the offering of the Bonds.

**5. Letter of Representation Binding.** This Letter of Representation is made solely for the benefit of the Commission, the City, the Underwriters, the Obligor and the other Indemnified Parties involved in the preparation of the Preliminary Official Statement, the Official Statement or any amendment or supplement thereto, and the respective successors and assigns of the City, the Commission, the Underwriters, the Obligor, and the other Indemnified Parties, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue hereof. The terms “successors” and “assigns” shall not include any purchaser of Bonds from any Underwriters merely because of such purchase.

**6. Acknowledgments.** The execution and delivery of this Letter of Representation by the Obligor shall constitute the Obligor’s approval of and consent to the Commission’s entering into, acceptance and execution of the Bond Purchase Agreement and performance thereunder. It is hereby recognized and agreed that the Bond Purchase Agreement has been entered into for the benefit of the Obligor and further that the Obligor has entered into this Letter of Representation in consideration of the obligations of the Commission and the Underwriters contained herein or therein. The Underwriters’ acceptance of this Letter of Representation constitutes the Underwriters agreement to be bound by their obligations hereunder, which obligations are legal, valid and binding obligations of each of the Underwriters, enforceable against each such Underwriter in accordance with the terms hereof.

**7. Notices.** Any notice or other communication to be given under this Letter of Representation (other than the acceptance hereof as specified in the introductory paragraph hereof) may be given by delivering the same in writing to:

To the Commission:

Airport Commission of the City and County of San Francisco  
San Francisco International Airport  
P.O. Box 8097  
San Francisco, CA 94128  
Attn: Deputy Airport Director - Business and Finance

To the Underwriters:

RBC Capital Markets, LLC  
Two Embarcadero Center, 12th Floor  
San Francisco, CA 94111  
Attn: Tom Yang, Managing Director

Raymond James & Associates, Inc.  
One Embarcadero Center, Suite 650  
San Francisco, CA 94111  
Attn: \_\_\_\_\_

To the Obligor:

SFO FUEL COMPANY LLC  
c/o Menzies Aviation  
San Francisco International Airport  
904 North Access Road  
South San Francisco, CA 94128  
Attn: Dan DeBord

with a copy to:

Sherman & Howard L.L.C.  
633 17th Street, Suite 3000  
Denver, CO 80202  
Attn: Karen L. Chapman, Esq.

**8. Effective Date and Termination.** This Letter of Representation shall become effective upon execution hereof. This Letter of Representation shall terminate upon termination of the Bond Purchase Agreement except as provided in the next sentence. The representations and warranties contained herein and the indemnification agreements contain in Section 3 hereof shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters or by or on behalf of the City, the Commission or the Obligor or by or on behalf of any other Indemnified Party, (ii) the delivery of the Bonds at the time of the Closing and payment thereof or (iii) any termination of the Bond Purchase Agreement or this Letter of Representation subsequent to the Closing.

**9. Interpretation.** The validity, interpretation and performance of this Letter of

Representation shall be governed by the laws of the State of California.

[signature pages follow]



Execution by the Airport Director of the Bond Purchase Agreement and the acceptance thereof by the Underwriters shall constitute acceptance of this Letter of Representation by the Commission.

Very truly yours,

SFO FUEL COMPANY LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

[Signature Page to the 2019ABC Letter of Representation]

**AGREED TO AND ACCEPTED BY:**

RBC CAPITAL MARKETS, LLC AND  
RAYMOND JAMES & ASSOCIATES, INC.

By: RBC CAPITAL MARKETS, LLC  
as Representative

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

[Acceptance Page to the 2019ABC Letter of Representation]

**APPENDIX C**  
**FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL**

**APPENDIX D**

**FORM OF OPINION OF CITY ATTORNEY**

**APPENDIX E**

**FORM OF THE CERTIFICATE OF THE OBLIGOR**

**APPENDIX F**

**FORM OF OPINION OF THE OBLIGOR**

**APPENDIX G**

**CERTIFICATE OF THE REPRESENTATIVE REGARDING  
INITIAL REOFFERING PRICES**

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

**§ \_\_\_\_\_  
SPECIAL FACILITIES  
LEASE REVENUE BONDS  
(SFO FUEL COMPANY LLC),  
SERIES 2019A (AMT)**

The undersigned, RBC Capital Markets, LLC, as representative (the “Representative”), on behalf of itself and Raymond James & Associates, Inc. (together, the “Underwriting Group”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”):

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds listed as a “10% Maturity” in schedule A attached hereto, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***[Initial Offering Price of the Hold-the-Price Maturities.***

(a) The Underwriting Group offered the “Hold-the-Price Maturities” (as listed in Schedule A attached hereto) to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the “Initial Offering Prices”) on or before the Sale Date.

(b) With respect to the Hold-the-Price Maturities, as set forth in the Bond Purchase Agreement, dated \_\_\_\_, 2019, between the Representative and the Airport Commission of the City and County of San Francisco (the “Commission”), the Representative, on behalf of the Underwriting Group, has agreed in writing that (i) unsold Bonds of the Hold-the-Price Maturities would be retained by the Representative and not allocated to any other Underwriter, (ii) for each Hold-the-Price Maturity, the Representative] would neither offer nor sell unsold Bonds of any Maturity of the Hold-the-Price Maturities to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period (the “hold-the-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule.

(c) Neither the Representative, nor any broker-dealer who is a party to a retail distribution agreement with the Representative (if any),] has offered or sold any unsold bonds of any Maturity of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for that Maturity of the Hold-the-Price Maturities during the

Holding Period.

3. ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. ***Defined Terms.***

(a) *10% Test Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “10% Test Maturities.”

(b) *Hold-the-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(f) *Related Party* – a purchaser of any Bond is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2019.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).



The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Commission with respect to certain of the representations set forth in the Tax Certificate, dated \_\_\_\_\_, 2019, executed and delivered by the Commission with respect to the Bonds, and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C., as Co-Bond Counsel to the Commission, in connection with rendering their opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Forms 8038 and 8038-G, and other federal income tax advice that Co-Bond Counsel may give to the Commission from time to time relating to the Bonds. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

\_\_\_\_\_, 2019

RBC CAPITAL MARKETS LLC, as  
Representative of the Underwriters

By \_\_\_\_\_  
Authorized Representative

**SCHEDULE A**

**SALE PRICES OF  
THE 10% MATURITIES AND  
INITIAL OFFERING PRICES OF THE HOLD-THE-PRICE MATURITIES**

**(Attached)**

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATIONS**

**SCHEDULE I**  
**<To come from POS>**

**SCHEDULE OF MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS,  
PRICES AND REDEMPTION PROVISIONS**

\$ \_\_\_\_\_  
**San Francisco International Airport  
Special Facilities Lease  
Revenue Bonds  
(SFO FUEL COMPANY LLC),  
Series 2019A (AMT)**

<u>Principal Payment Date (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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\_\_\_\_\_

\$ \_\_\_\_\_  
**San Francisco International Airport  
Special Facilities Lease  
Revenue Bonds  
(SFO FUEL COMPANY LLC),  
Series 2019B (Federally Taxable)**

<u>Principal Payment Date (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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SECOND SUPPLEMENTAL TRUST AGREEMENT

By and Between

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
As Trustee

and the

AIRPORT COMMISSION OF THE CITY AND COUNTY  
OF SAN FRANCISCO

Dated as of January 1, 2019

Relating to

**SAN FRANCISCO INTERNATIONAL AIRPORT**

**SPECIAL FACILITIES  
LEASE REVENUE BONDS  
(SFO FUEL COMPANY LLC),  
SERIES 2019A (AMT)**

**SPECIAL FACILITIES  
LEASE REVENUE BONDS  
(SFO FUEL COMPANY LLC),  
SERIES 2019B (FEDERALLY  
TAXABLE)**

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## SECOND SUPPLEMENTAL TRUST AGREEMENT

THIS SECOND SUPPLEMENTAL TRUST AGREEMENT, dated as of January 1, 2019 (the "Second Supplemental Trust Agreement"), by and between THE CITY AND COUNTY OF SAN FRANCISCO (the "City"), acting by and through the AIRPORT COMMISSION (the "Commission"), and THE BANK OF NEW YORK MELLON TRUST COMPANY (the "Trustee"), a national banking association duly organized and existing under the laws of the United States, which is authorized to exercise corporate trust powers as Trustee, and supplemental to that certain Trust Agreement, dated as of May 1, 1997 (the "General Trust Agreement"), as supplemented from time to time, including as supplemented by the First Supplemental Trust Agreement, dated as of May 1, 2000 (the "First Supplemental Trust Agreement," and together with the General Trust Agreement and the Second Supplemental Trust Agreement, the "Trust Agreement"), each by and between the Commission and the Trustee.

### WITNESSETH:

WHEREAS, the Commission is a duly constituted commission of the City established and authorized to transact business and exercise its powers in connection with the construction, management, supervision, maintenance, extension, operation, use and control of all property comprising San Francisco International Airport under the provisions of Section 4.115 of the Charter of the City effective July 1, 1996 (the "Charter"), and is authorized pursuant to said Section 4.115 of the Charter to issue revenue bonds to finance the cost of capital improvements to the Airport; and

WHEREAS, the Commission, pursuant to Resolution Nos. 97-0143 and 97-0145, adopted on May 20, 1997, has entered into a Fuel System Lease, dated as of September 1, 1997 (the "Fuel System Lease"), with SFO FUEL COMPANY LLC, a Delaware limited liability company (the "Company"); and

WHEREAS, the Commission, pursuant to Resolution No. 97-0145, authorized the issuance of one or more Series of its Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC) (the "Fuel Bonds") in an aggregate principal amount not to exceed \$125,000,000 (the "Previously Authorized Fuel Bonds"), for the purpose of financing the acquisition and construction of improvements to the fuel distribution facilities within the Airport and other expenses related thereto; and

WHEREAS, the Board of Supervisors of the City, pursuant to Resolution No. 619-97, authorized the execution and delivery of the Fuel System Lease and the General Trust Agreement and approved the issuance of the Previously Authorized Fuel Bonds; and

WHEREAS, pursuant to Resolution No. 97-0145, the Commission issued its Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 1997A (AMT) in the aggregate principal amount of \$93,355,000 and its Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 1997B (Taxable) in the aggregate principal amount of \$12,255,000 (collectively, the "1997 Bonds"); and

WHEREAS, pursuant to Resolution No. 00-0175, adopted on May 16, 2000, the Commission entered into the First Supplemental Trust Agreement, pursuant to which the



Commission issued the remaining Previously Authorized Fuel Bonds in the form of its 1997 Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2000A (AMT) in the aggregate principal amount of \$19,390,000 (the “2000 Bonds”); and

WHEREAS, the Commission, pursuant to Resolution No. 10-0307, adopted on October 5, 2010, authorized the issuance of up to \$125,000,000 aggregate principal amount of additional SFO Fuel Bonds for the purposes of refunding the outstanding 1997 Bonds and the 2000 Bonds and financing additions to, replacements of and improvements to the fuel storage and distribution system at the Airport and reimbursements related thereto and the execution of supplements to the Trust Agreement and amendments to the Fuel System Lease in connection therewith; and

WHEREAS, the Board of Supervisors (the “Board”) of the City and County of San Francisco, by its Resolution No. 50-11, adopted on February 10, 2011, authorized the issuance of the additional Fuel Bonds and the execution of supplements to the Trust Agreement and amendments to the Fuel System Lease in connection therewith; and

WHEREAS, the Board subsequently adopted its Resolution No. 0349-12, extending the outside sale date for the additional SFO Fuel Bonds (as more fully described below, the “2019 Bonds”) to December 31, 2015, and subsequently adopted its Resolution No. 0125-14, extending the outside sale date for the 2019 Bonds to June 30, 2019; and

WHEREAS, the Commission now desires to issue in one or more Series, its SFO Fuel Bonds to be designated as the “San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2019A (AMT)” (the “2019A Bonds”) and “San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2019B (Federally Taxable)” (the “2019B Bonds” and, together with the 2019A Bonds, the “2019 Bonds”), in an aggregate principal amount of not to exceed \$125,000,000; and

WHEREAS, the 2019 Bonds will be issued pursuant to applicable law, including without limitation Section 4.115 of the Charter and Article II of Chapter 43 (formerly Chapter 48) of the Administrative Code of the City, and the Commission hereby finds and determines in accordance therewith that the acquisition, construction and installation of the facilities will substantially promote one or more of the public purposes set forth in Section 43.2.2 thereof, and will not have the proximate effect of causing the relocation of any substantial operations of any party from one area of the State of California to another, or the abandonment thereof; and

WHEREAS, the Commission and the Company have entered into the Fuel System Lease, as previously amended by a First Revision of Demised Premises Under Fuel System Lease, dated as of September 11, 2000, a Second Revision of Demised Premises Under Fuel System Lease, dated as of August 23, 2001, and a Third Revision of Demised Premises Under Fuel System Lease, dated as of December 3, 2012, pursuant to which the Commission leases to the Company, and the Company leases from the Commission, the Site, and by an Amendment to Fuel System Lease of even date herewith, and as the same may be amended from time to time; and

WHEREAS, the Company and the Contracting Airlines have entered into an Interline Agreement, as amended from time to time, pursuant to which the Contracting Airlines are

obligated to pay to the Company their respective shares of the Facilities Rent and all other obligations arising under the Fuel System Lease; and

WHEREAS, the Company, pursuant to a Guaranty, dated as of September 1, 1997 (the “Guaranty”), as amended from time to time, between the Company and the Trustee, will guaranty the payment of principal of, premium, if any, and interest on the Bonds; and

WHEREAS, the Company, pursuant to a Security Agreement, dated as of September 1, 1997 (the “Security Agreement”), as amended from time to time, between the Company and the Trustee, has assigned and granted a security interest in certain of its rights under the Interline Agreement to the Trustee; and

WHEREAS, in order to provide for the authentication and delivery of the 2019 Bonds as Additional Bonds under the Trust Agreement, to establish and declare the terms and conditions upon which the 2019 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Commission has authorized the execution and delivery of this Second Supplemental Trust Agreement; and

WHEREAS, the Commission hereby finds and determines that it is necessary and desirable and in the best interest of the Commission to amend the Trust Agreement in the manner set forth herein; and

WHEREAS, pursuant to Article XI of the Trust Agreement, the Commission by Supplemental Resolution may, upon satisfaction of the requirements of said Article, make changes or additions to the Trust Agreement for the purpose of waiving, modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Trust Agreement; and

WHEREAS, the amendments to the Trust Agreement set forth herein (the “Amendments”) will not be effective until Holders of not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding have consented to such amendments; and

WHEREAS, holders of the 2019 Bonds will be deemed to have consented to the Amendments by virtue of their purchasing the 2019 Bonds, which are expected, on their date of issuance, to constitute not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding; and

WHEREAS, all acts and proceedings required by law necessary to make the 2019 Bonds, when duly executed and issued by the Commission, the valid, binding and legal obligations of the Commission payable in accordance with their terms, and the Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Second Supplemental Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to declare the terms and conditions upon and subject to which the 2019 Bonds are to be issued and delivered, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2019 Bonds by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the

Commission does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the 2019 Bonds, as follows:

ARTICLE XX  
DEFINITIONS; EQUAL SECURITY

Section 20.01 Definitions. All terms defined in Section 1.01 of the Fuel System Lease and not otherwise defined in the Trust Agreement shall have the meanings set forth therein. All terms defined in Section 1.01 of the Trust Agreement shall have the meanings set forth therein. In addition, the following words and terms, unless a different meaning clearly appears from the context, shall have the following meanings in the Trust Agreement:

For the purposes of Articles XX through XXV, the following words, to the extent not defined in the preamble or the recitals to this Trust Agreement, shall have the following meanings:

“Participant” has the meaning set forth in Section 21.04(a) hereof.

“Refunded Bonds” means the 1997 Bonds and the 2000 Bonds.

“Representation Letter” has the meaning set forth in Section 21.04(b) hereof.

“2019 Construction Fund” means the fund of that name created under Section 22.02(a) hereof.

“2019A Capitalized Interest Account” means the account of that name created under Section 22.02(b) hereof.

“2019A Escrow Account” means the account of that name created under Section 22.02(d) hereof.

“2019A Redemption Account” means the account of that name created under Section 22.02(c) hereof.

“2019B Capitalized Interest Account” means the account of that name created under Section 22.02(b) hereof.

“2019B Construction Account” means the account of that name created under Section 22.02(a) hereof.

“2019B Redemption Subaccount” means the account of that name created under Section 22.02(c) hereof.

Section 20.02 Ratification of the Trust Agreement. This Second Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented to the date hereof, including as supplemented by this Second Supplemental Trust Agreement.

Section 20.03 Execution in Counterparts. This Second Supplemental Trust Agreement may be executed in counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 20.04 Severability. If any provision of this Second Supplemental Trust Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases, because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to, any extent whatever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections in this Second Supplemental Trust Agreement contained shall not affect the remaining portions of this Second Supplemental Trust Agreement or any part thereof.

## ARTICLE XXI TERMS OF THE 2019 BONDS

Section 21.01 Bonds Issued Under this Second Supplemental Trust Agreement; Security. There is hereby created and established one or more Series of Bonds to be issued pursuant to the Trust Agreement in the aggregate principal amount specified in a Certificate of the Airport Director, but not to exceed \$125,000,000. The 2019 Bonds shall be designated “San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2019A (AMT)” and “San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2019B (Federally Taxable).” Proceeds of the 2019 Bonds shall be applied as provided in Section 22.02 hereof.

The 2019 Bonds are limited obligations of the Commission and shall be payable as to principal thereof, and premium, if any, and interest thereon solely from the amounts received by the Trustee pledged therefor as set forth in the Trust Agreement. The 2019 Bonds shall not constitute an indebtedness or pledge of the faith and credit or the taxing power of the City and County of San Francisco, the State of California or any political subdivision thereof. The 2019 Bonds shall not constitute an indebtedness of the Commission except to the extent set forth in the Trust Agreement. Neither the State of California, the City and County of San Francisco nor any political subdivision of the State of California shall be obligated to pay the principal of, premium, if any, or interest on the 2019 Bonds, or other costs incident thereto. The Commission shall be obligated to make such payments only from the Revenues and other amounts pledged therefor.

Section 21.02 Form of 2019 Bonds. The 2019 Bonds and the Trustee’s certificate of authentication to be endorsed on all 2019 Bonds and the form of assignment on the 2019 Bonds shall be substantially in the form for the 2019 Bonds set forth in Exhibit A attached to the General Trust Agreement and by this reference incorporated herein; *provided, however*, that such modifications, insertions, omissions and changes as are required or permitted by the Trust Agreement or any supplemental trust agreement hereafter entered into under the provisions of the Trust Agreement may be made; and *provided further* that any or all of the 2019 Bonds may have

endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 21.03 Details of 2019 Bonds. The 2019 Bonds shall be issued in denominations of \$5,000 and any integral multiples in excess thereof, shall be dated, shall mature and be payable as to principal on such Principal Payment Dates and in the principal amounts and shall bear interest at the rates per annum payable on such Interest Payment Dates, all as set forth in a Certificate of the Airport Director; *provided, however*, that the final maturity of the 2019 Bonds shall be no later than August 1, 2047. The maximum stated interest rate on any 2019 Bonds issued as tax-exempt bonds shall not exceed 12 percent (12%) per annum and the maximum stated interest rate on any 2019 Bonds issued as taxable bonds shall not exceed 16 percent (16%) per annum.

Interest on the 2019 Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Each 2019 Bond shall bear interest from the Interest Payment Date before its date of authentication, unless (i) such date of authentication is on or before the first Record Date, in which case such 2019 Bond shall bear interest from its dated date, (ii) such date of authentication is an Interest Payment Date, in which case such 2019 Bond shall bear interest from the date of authentication, or (iii) such date of authentication shall be after a Record Date but before the next Interest Payment Date, in which case such 2019 Bond shall bear interest from the Interest Payment Date after the date of authentication; *provided, however*, that if, as shown by the records of the Trustee, interest on a 2019 Bond shall be in default, any 2019 Bonds issued in exchange for that 2019 Bond surrendered for transfer or exchange shall bear interest from the last date to which interest has been paid in full on that 2019 Bond or, if no interest has been paid on that 2019 Bond, from its dated date.

All of the principal of, premium, if any, and interest on the 2019 Bonds shall be payable in lawful money of the United States of America. Payment of the interest on each 2019 Bond shall be made to the person appearing as the registered owner thereof, at the close of business on the Record Date, by check or draft mailed by first class mail to such registered owner at its address as it appears on such registration books or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of 2019 Bonds delivered to the Trustee before the applicable Record Date, by wire transfer in immediately available funds to an account within the United States designated by such registered owner. Payment of the principal of and premium, if any, on all 2019 Bonds shall be made at the Corporate Trust Office of the Trustee only upon the presentation and surrender thereof as the same shall become due and payable.

If any payment date is not a Business Day, then the date fixed for such payment shall be, and payment may be made, on the next succeeding Business Day. Payment on such subsequent date shall be for all purposes deemed to have occurred on the date specified and no interest shall accrue on such payment by reason of payment on a later date than that specified.

Section 21.04 Book-Entry System. (a) The 2019 Bonds shall be initially issued in the form of a separate single fully registered 2019 Bond for each of the maturities of each Series of the 2019 Bonds. Upon initial issuance, the ownership of each such 2019 Bond shall be registered

in the bond registration books of the Trustee in the name of Cede & Co., as nominee of the Securities Depository. Except as provided in subsection (c) of this Section 21.04, all of the Outstanding 2019 Bonds shall be registered in the bond registration books of the Trustee in the name of the Nominee.

The Trustee, the Registrar, the Paying Agents and the Commission may treat the registered owner of each 2019 Bond as the sole and exclusive owner thereof for the purposes of payment of the principal or redemption price of or interest on the 2019 Bonds, selecting the 2019 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Trust Agreement, registering the transfer of 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 Securities Depository (a "Participant"), any person claiming a beneficial ownership interest in the 2019 Bonds under or through the Securities Depository or any Participant, or any other person who is not shown on the registration books as being a Bondholder, for any purpose, including, but not limited to, (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or any Participant of any amount in respect of the principal of, redemption price of or interest on the 2019 Bonds; (iii) the delivery of any notice which is permitted or required to be given to Bondholders under the Trust Agreement; (iv) the selection by the Securities Depository or any Participant of any person to receive payment in the event of a partial redemption of the 2019 Bonds; or (v) any consent given or other action taken by the Securities Depository as Bondholder.

The Trustee or the Paying Agents, as the case may be, shall pay all principal of, premium, if any, and interest on the 2019 Bonds only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's and the Company's obligations with respect to the payment of the principal of, premium, if any, and interest on the 2019 Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c), no person other than the Securities Depository shall receive an authenticated 2019 Bond evidencing the obligation of the Commission to make payments of principal of, premium, if any, and interest pursuant to the Trust Agreement subject to the provisions herein with respect to Record Dates, the substitution of a new Nominee for the then current Nominee shall become effective upon delivery by the Securities Depository to the Trustee of written notice naming the new Nominee and stating that the Securities Depository has determined to substitute such new Nominee in place of the then current Nominee.

(b) In order to qualify the 2019 Bonds for the Securities 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 Securities Depository a Letter of Representation (the "Representation Letter") from the Commission representing such matters as shall be necessary to so qualify the 2019 Bonds. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 21.04 or in any other way impose

upon the Commission any obligation whatsoever with respect to persons having beneficial ownership interests in the 2019 Bonds other than the Bondholders.

(c) In the event (i) the Securities Depository determines not to continue to act as securities depository for the 2019 Bonds, or (ii) the Commission determines that the Securities 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 Securities Depository for the 2019 Bonds. If the Commission determines to replace the Securities Depository for the 2019 Bonds with another qualified securities depository, the Commission shall prepare or direct the preparation of a new, single, separate, fully registered 2019 Bond for each maturity of the 2019 Bonds registered in the name of such successor or substitute qualified Securities Depository or its Nominee, or make such other arrangements acceptable to the Trustee, the Paying Agents and such successor or substitute Securities Depository as are not inconsistent with the terms of the Trust Agreement. If the Commission fails to identify another qualified Securities Depository to replace the incumbent Securities Depository for the 2019 Bonds, then the 2019 Bonds shall no longer be restricted to being registered in the bond registration books in the name of the incumbent Securities Depository or its Nominee, but shall be registered in whatever name or names the incumbent Securities Depository or its Nominee transferring or exchanging the 2019 Bonds shall designate.

(d) Notwithstanding any provision of the Trust Agreement to the contrary, so long as the 2019 Bonds are registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on the 2019 Bonds and all notices with respect to the 2019 Bonds shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Securities Depository.

## ARTICLE XXII DELIVERY OF 2019 BONDS AND APPLICATION OF 2019 BOND PROCEEDS

Section 22.01 Filing of Closing Documents and Delivery of 2019 Bonds. The 2019 Bonds, upon their execution in the form and manner as herein provided, shall be delivered to the Trustee for authentication, but before such 2019 Bonds shall be delivered by the Trustee there shall be filed with or delivered to the Trustee the following:

(a) A certified copy of the Resolution of the Commission authorizing the issuance of such 2019 Bonds;

(b) A Written Order of the Commission directing the authentication and delivery of such 2019 Bonds to or upon the order of the purchasers named therein, upon payment of the purchase price stated therein; and

(c) The items required to be delivered to the Trustee pursuant to Section 3.06 of the Trust Agreement.

Section 22.02 Creation of Funds and Accounts. The following funds and accounts are hereby authorized to be created and maintained by the Trustee in trust for the purposes set forth herein:

(a) 2019 Construction Fund, and within the 2019 Construction Fund, the 2019A Construction Account and the 2019B Construction Account;

(b) Within the Capitalized Interest Fund, the 2019A Capitalized Interest Account and the 2019B Capitalized Interest Account;

(c) Within the Redemption Account, the 2019A Redemption Subaccount and the 2019B Redemption Subaccount; and

(d) 2019A Escrow Account.

Section 22.03 2019 Bonds a Participating Series. The 2019 Bonds shall be a Participating Series for purposes of the Pooled Reserve Subaccount.

Section 22.04 Application of Proceeds of 2019 Bonds. The 2019 Bonds The Trustee shall forthwith set aside the net proceeds from the sale of the 2019 Bonds and deposit to the Pooled Reserve Subaccount an amount, set forth in a Written Order of the Commission which shall specify by Series the amounts to be deposited, sufficient to increase the balance therein to the Pooled Reserve Requirement (provided that such amount may be in the form of a Credit Facility), and thereafter the Trustee shall make the following deposits as specified in a Written Order of the Commission:

(a) From the net proceeds of the 2019A Bonds:

(1) to the Interest Account any accrued interest received upon the sale of the 2019A Bonds;

(2) to the Series 2019A Capitalized Interest Account, an amount equal to the amount of capitalized interest on the 2019A Bonds;

(3) to the 2019A Construction Account, the amount specified in the Certificate of the Airport Director;

(4) to the 2019A Escrow Account, the amount specified in the Certificate of the Airport Director; and

(5) to the Pooled Reserve Subaccount, the amount specified in the Certificate of the Airport Director.

(b) From the net proceeds of the 2019B Bonds.

(1) to the Interest Account any accrued interest received upon the sale of the 2019B Bonds;

(2) to the Series 2019B Capitalized Interest Account, an amount equal to the amount of capitalized interest on the 2019B Bonds; and



(3) to the 2019B Construction Account, the amount specified in the Certificate of the Airport Director; and

(4) To the Pooled Reserve Subaccount, the amount specified in the Certificate of the Airport Director.

Section 22.05 2019 Construction Fund. The moneys in the 2019 Construction Fund and the subaccounts therein shall be held by the Trustee in trust and, except as provided in this Section 22.05, applied to the payment of the Costs of the Facilities. The Commission makes no representation, warranty, covenant or agreement that the proceeds of the 2019 Bonds or any Additional Bonds will be sufficient to pay the Costs of the Facilities.

Before any payment is made from the 2019 Construction Fund by the Trustee, the Company shall cause to be filed with the Trustee a Written Requisition substantially in the form of Exhibit B to the General Trust Agreement showing with respect to every payment to be made:

- (1) the item number of the payment;
- (2) the name of the person to whom payment is due;
- (3) the amount to be paid and from which account said amount is to be paid; and
- (4) the purpose for which the obligation to be paid was incurred.

Each such Written Requisition shall state, and shall be sufficient evidence to the Trustee:

(A) that obligations in the stated amounts have been incurred by the Company and that each item thereof is a proper charge against the indicated account within the 2019 Construction Fund and has not previously been paid with amounts from the 2019 Construction Fund (or the accounts therein); and

(B) that there has not been filed with or served upon the Company notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than material men's or mechanics' liens accruing by operation of law.

Notwithstanding any provision of this Trust Agreement to the contrary, no Written Requisition for amounts on deposit in the 2019B Construction Account shall be required to contain any representations or covenants related to the tax-exempt status of the Bonds for federal income tax purposes.

Upon completion of construction of the Facilities, a Certificate of the Company stating the fact and the date of such substantial completion and stating that all of the Costs of the Facilities and incidental expenses have been determined and paid (or that all of the Costs of the Facilities have been paid less specified claims which are subject to dispute and for which funds shall be

retained in the related account within the 2019 Construction Fund until such dispute is resolved), together with an Architect's Certificate stating the fact and date of such completion, shall be delivered to the Trustee and the Commission by the Company.

ARTICLE XXIII  
REDEMPTION OF 2019 BONDS BEFORE MATURITY

Section 23.01 Redemption Dates and Prices.

(a) The 2019 Bonds are subject to extraordinary mandatory redemption upon such events or conditions and on such dates and at such redemption prices as shall be specified in a Certificate of the Airport Director.

(b) The 2019 Bonds are subject to redemption at the option of the Commission, upon the Written Request of Company, on or after such dates and at such redemption prices as shall be specified in a Certificate of the Airport Director.

(c) The 2019 Bonds shall be subject to mandatory redemption from sinking fund payments, if and to the extent specified in the Certificate of the Airport Director, at a redemption price equal to the principal amount of the 2019 Bonds called for redemption, plus accrued interest to the Redemption Date.

At any time before the giving of notice of redemption for any Sinking Fund Payment Date for the 2019 Bonds of any maturity, the Commission or the Company may deliver to the Trustee for cancellation 2019 Bonds of that maturity in any aggregate principal amount. Each 2019 Bond of that maturity so delivered shall be credited by the Trustee at the principal amount thereof against the obligation of the Commission on such Sinking Fund Payment Date and any excess shall be credited against future payment obligations under this subsection (c) in chronological order, and the principal amount of such 2019 Bonds to be redeemed pursuant to this subsection (c) shall be accordingly reduced.

ARTICLE XXIV  
AMENDMENTS TO THE TRUST AGREEMENT

Section 24.01 Amendments to Section 1.01 of the Trust Agreement

(a) The definition "Reserve Account Requirement" is deleted in its entirety.

(b) The following definitions are hereby added to Section 1.01 of the Trust Agreement:

"Pooled Reserve Participating Series" means the 2019 Bonds, and any other Series of Bonds hereafter designated pursuant to a supplemental trust agreement as being secured by the Pooled Reserve Subaccount.

"Pooled Reserve Subaccount" means the subaccount of that name created under Section 5.01(e) hereof.

“Pooled Reserve Requirement” means [\_\_\_\_\_].

“Reserve Subaccount” means the Pooled Reserve Subaccount or any other subaccount established for one or more Series of Bonds pursuant to Section 5.01(e).

“Series Reserve Subaccount” means any Reserve Subaccount other than the Pooled Reserve Subaccount.

“Series Reserve Requirement” means, with respect to one or more Series of Bonds, other than a Pooled Reserve Participating Series, the amount, which may be zero dollars, designated in accordance with Section 5.01(e).

(c) The following definitions in Section 1.01 of the Trust Agreement are hereby amended to read as follows (additions to the Trust Agreement are shown in **bold underline** and deletions shown in ~~striketrough~~ for convenience):

(1) Clause (B) in the first sentence of paragraph (i) of the definition of “Permitted Investments” is hereby amended as follows:

“longer than 30 days and not longer than one year provided that the collateral subject to such agreements are marked to market daily, entered into, with financial institutions such as banks or trust companies organized under State or federal law, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation, or with a dealer or parent holding company that is rated investment grade (“A” **“A-” or “A3”** or better) by at least two Rating Agencies.”

(2) Paragraph (j) of the definition of “Permitted Investments” is hereby amended to read in full as follows:

“Prime commercial paper of a corporation, finance company or banking institution rated in the highest short-term rating category **without regard to any numerical modifier, plus or minus sign or other modifier** by at least two Rating Agencies.”

Section 24.02 Amendment to Section 3.06 of the Trust Agreement. Subsection (g) and subsection (j) of Section 3.06 are hereby amended and restated as follows (additions to the Trust Agreement are shown in **bold underline** and deletions shown in ~~striketrough~~ for convenience):

“(g) Funds either from the proceeds of such Additional Bonds or from any other source, or a Credit Facility, for deposit in the **related Reserve Subaccount** ~~Account~~ **securing such Additional Bonds**, which together with amounts then on deposit in ~~such~~ **the Reserve Subaccount** ~~Account~~, **if any**, cause the balance in such **sub**account to equal **the Pooled Reserve Requirement or the Series Reserve** ~~Account~~ Requirement for the Bonds, **as applicable**, immediately after the issuance of such Additional Bonds;”

~~“(j) Opinions of counsel to at least four Contracting Airlines taking delivery in the aggregate of at least fifty one percent (51%) of the Jet Fuel delivered at the Airport in the preceding fiscal year, to the effect that the Interline Agreement is a valid and binding obligation of such Contracting Airline, enforceable in accordance with its terms, as to all Bonds Outstanding after the issuance of such Additional Bonds~~[Reserved]; and

Section 24.03 Amendment to Section 4.03 of the Trust Agreement. Section 4.03 is hereby amended and restated in full as follows:

Notice of redemption shall be mailed by the Trustee, not less than twenty (20) days and not more than sixty (60) days prior to the redemption date, to the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Each notice of redemption shall state the date of such notice, the Redemption Date, premium, if any, or accrued interest, if any, that will be paid on the Redemption Date, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the maturity (including CUSIP numbers, if any), and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that, subject to the satisfaction of any condition to the redemption and subject to prior rescission, as provided herein, on said date there will become due and payable on each of such Bonds or portions thereof the principal amount thereof or of such specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Any notice of optional redemption hereunder may be made conditional upon the receipt of moneys or the occurrence of any other event and may be cancelled and annulled by the Commission for any reason on or prior to the date fixed for redemption. Such cancellation does not constitute an Event of Default under the Trust Agreement. In the event that a notice of optional redemption contains any condition or conditions and such condition or conditions shall not have been satisfied on or prior to the date fixed for redemption, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice to the Holders to the effect that such condition or conditions were not met and such redemption was not made, such notice to be given by the Trustee in the same manner as the notice of redemption was given pursuant to this Section 4.03.

Failure by the Trustee to mail notice of redemption pursuant to this Section 4.03 to any one or more of the respective Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Company, for and on behalf of the Commission.

Section 24.04 Amendment to Section 5.01 of the Trust Agreement. Subsection (e) of Section 5.01 is hereby amended and restated as follows (additions to the Trust Agreement are shown in **bold underline** and deletions shown in ~~strikethrough~~ for convenience):

“(e) There is hereby created by the Commission and ordered established with the Trustee a trust fund separate and apart from any other fund established and maintained hereunder, which shall be designated as the “Bond Fund”. There are hereby created by the Commission and ordered established by the Trustee within and as a part of the Bond Fund four separate accounts, to be designated “Interest Account”, “Principal Account”, “Redemption Account”, and “Reserve Account”, respectively, **and within the Reserve Account, the “Pooled Reserve Subaccount”**. All Revenues shall be deposited in the Bond Fund as hereinafter provided and shall be held in trust for the benefit of the Holders from time to time of the Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and the purposes hereinafter in this Article V set forth.

**Pursuant to a supplemental Trust Agreement, the Commission may determine whether any or all Bonds of a Series of Bonds shall be a Pooled Reserve Participating Series. In the event the Commission determines that a Series of Bonds shall not be a Pooled Reserve Participating Series, pursuant to a supplemental trust agreement the Commission shall establish a Series Reserve Subaccount to secure such Series of Bonds and shall determine the Series Reserve Requirement.**

**Moneys in the Reserve Account and the Reserve Subaccounts therein shall be held in trust for the benefit and security of the Holders of the Bonds to which such Reserve Subaccounts are pledged, and shall not be available to pay or secure the payment of any other Bonds. Each Reserve Subaccount shall be funded in the amounts, at the times and in the manner provided herein or in a supplemental trust agreement with respect thereto, including without limitation through the use of a Credit Facility. Moneys in the Reserve Subaccounts shall be applied to pay and secure the payment of such Bonds as provided herein or in the supplemental trust agreement with respect thereto. Moneys in a Reserve Subaccount may also be applied to pay or reimburse a Credit Provider for repayment obligations to the extent provided herein or in the supplemental trust agreement with respect thereto.**

**If at any time after the initial deposit, the Trustee determines that the amount in any Reserve Subaccount is less than the Pooled Reserve Requirement or Series Reserve Requirement, as applicable, the Trustee shall immediately notify the Commission and the Company of the amount of such deficiency, and the Company will thereafter deposit or cause to be deposited in such Reserve Subaccounts the amount of such deficiency, such payment to be made in accordance with Section 4.03(a)(v) of the Fuel System Lease; provided, however, that if such amount provided by the Company is insufficient to cure all deficiencies in all Reserve Subaccounts the Trustee shall apply such amount to replenish such Reserve Accounts on a pro rata basis.**

Section 24.05 Amendment to Section 5.02 of the Trust Agreement. Subsection (d) of Section 5.02 is hereby amended and restated as follows (additions to the Trust Agreement are shown in **bold underline** and deletions shown in ~~strike through~~ for convenience):

**“(d)(i) Pooled Reserve Subaccount.**

**(1) The amounts in the Pooled Reserve Subaccount shall be used solely for the purposes of paying interest, principal or mandatory sinking fund payments on the 2019 Bonds and any other Pooled Reserve Participating Series whenever any moneys then credited to the accounts within the Bond Fund for the Pooled Reserve Participating Series are insufficient for such purposes and to pay one or more Credit Providers principal due with respect to any Credit Facility deposited in the Pooled Reserve Subaccount to the extent that such payment will cause the amount available to be drawn under the related Credit Facility or Credit Facilities to be reinstated in an amount at least equal to the amount of such payment. In the event that the Trustee shall be required to apply amounts in the Pooled Reserve Subaccount to pay interest, principal or mandatory sinking fund payments on Pooled Reserve Participating Series, the Trustee shall apply all amounts (the “Pooled Reserve Cash Amount”) in the Pooled Reserve Subaccount other than amounts available pursuant to draws on Credit Facilities deposited in the Pooled Reserve Subaccount to such payments before drawing on any such Credit Facility. If after exhausting the Pooled Reserve Cash Amount, the Trustee has insufficient moneys to pay interest, principal or mandatory sinking fund payments on Pooled Reserve Participating Series, the Trustee shall draw on the Credit Facilities deposited in the Pooled Reserve Subaccount on a pro rata basis to the extent required to remedy the remaining deficiency.**

**(2)** ~~If at any time after the initial deposit, the Trustee determines that the amount in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall immediately notify the Commission and the Company of the amount of such deficiency, and the Company will thereafter deposit or cause to be deposited in the Reserve Account the amount of such deficiency, such payment to be made in accordance with Section 4.03(a)(iv) of the Fuel System Lease. If amounts on deposit in the Interest Account, the Principal Account or the Redemption Account are insufficient to pay when due the principal of, premium, if any, and interest on any Bond~~ **of a Pooled Reserve Participating Series**, then the Trustee will transfer from the **Pooled Reserve Subaccount** ~~Account~~ to the following accounts, the following amounts to the extent available in the **Pooled Reserve Subaccount** ~~Account~~ in the following order of priority:

~~(i)~~ **(A)** to the Interest Account, an amount which together with any amount on deposit therein, will be sufficient to pay the interest then due on the Bonds **of a Pooled Reserve Participating Series**;

~~(ii)~~ **(B)** to the Principal Account, an amount which together with any amount on deposit therein, will be sufficient to pay, whether at stated maturity or upon acceleration, the principal then due on the Bonds **of a Pooled Reserve Participating Series**; and

(iii)(C) to the Redemption Account, an amount which together with any amount on deposit therein which is available to pay the redemption price on Bonds of a Pooled Reserve Participating Series to be redeemed, will be sufficient to pay the redemption price then due on the Bonds of a Pooled Reserve Participating Series.

(3) The Trustee shall compute the amount in the Pooled Reserve Subaccount ~~Account~~ five Business Days prior to each Interest Payment Date and each Redemption Date of the Bonds of a Pooled Reserve Participating Series, the date of any defeasance and immediately after making any withdrawal from the Pooled Reserve Subaccount ~~Account~~ to cover a shortfall in the Interest Account, the Principal Account or the Redemption Account related to Bonds of a Pooled Reserve Participating Series and such other times as the Commission shall request in writing. In making this computation the Trustee will value obligations purchased as an investment of moneys in the Pooled Reserve Subaccount ~~Account~~ at fair market value. If the Trustee determines that the amount in the Pooled Reserve Subaccount ~~Account~~ is less than the Pooled Reserve Requirement, the Trustee shall promptly notify the Commission and the Company of the amount of such deficiency. If the Trustee determines that the amount in the Pooled Reserve Subaccount ~~Account~~ exceeds the Pooled Reserve Requirement, such excess shall be transferred (i) prior to the Completion Date of the Facilities financed by a Bonds of a Pooled Reserve Participating Series of Bonds, to the applicable Construction Fund, for deposit in the respective accounts therein on a pro rata basis, and (ii) after the Completion Date of the Facilities financed by a Bonds of a Pooled Reserve Participating Series of Bonds, to the Interest Account for payment of interest on such Bonds of a Pooled Reserve Participating Series; provided that if the amount on deposit in the Pooled Reserve Subaccount ~~Account~~ will exceed the Pooled Reserve ~~Account~~ Requirement as a result of the redemption of Bonds of a Pooled Reserve Participating Series or a defeasance of Bonds of a Pooled Reserve Participating Series pursuant to Article XII hereof, the excess as of the date of such redemption or defeasance may at the Written Request of Company be transferred on such redemption or defeasance date to the Principal Account or Redemption Account or an escrow account established to provide for the defeasance of such ~~the~~ Bonds, as the case may be.

(4) Notwithstanding any other provision of this Trust Agreement, the Commission may at any time satisfy the Pooled Reserve ~~Account~~ Requirement in whole or in part by providing the Trustee with a Credit Facility in lieu of cash. Each such Credit Facility provided in the form of a surety bond shall be issued by a Credit Provider whose ability to pay its Credit Facilities is then rated in the highest rating category by at least one Rating Agency. Each such Credit Facility provided in the form of a letter of credit shall be issued by an institution then rated in at least the second highest rating category by at least one Rating Agency. In the event that after the substitution of a Credit Facility for all or any part of the amounts on deposit in the Pooled Reserve Subaccount, the amount in the Pooled Reserve Subaccount is greater than the Pooled Reserve Requirement, upon the request of an Authorized Company Representative, the Trustee shall transfer such excess to the related accounts within the Construction Fund to be used solely for Costs of the Facilities; provided, however, that the

Commission and the Company may agree upon an alternate use of such excess amount in the Pooled Reserve Subaccount consistent with this Trust Agreement and the Fuel System Lease so long as the Company delivers to the Trustee an Opinion of Bond Counsel acceptable to the Commission stating that another use of such amount in the Pooled Reserve Subaccount is permissible under the Trust Agreement and the Fuel System Lease and will not adversely affect the exclusion of interest on such Bonds of a Pooled Reserve Participating Series from gross income for federal income tax purposes, in which case the Trustee shall dispose of such funds in accordance with a Written Order of the Commission which is consistent with such opinion.

(5) Any replenishment of the Pooled Reserve Subaccount shall be in the following order of priority, each requirement to be satisfied in full before the next requirement in priority:

(A) On a pro rata basis, payments to Credit Providers of principal then due with respect to any Credit Facility deposited in the Pooled Reserve Subaccount to the extent that such payments will cause the amounts available to be drawn under such Credit Facility or Credit Facilities to be reinstated in an amount at least equal to such payments; and

(B) Other amounts required to be deposited in the Pooled Reserve Subaccount to increase the amount therein to the Pooled Reserve Requirement.

(6) In the event a Series of Bonds of a Pooled Reserve Participating Series are to be redeemed in whole or in part or the Commission notifies the Trustee in writing of its intention to refund a Pooled Reserve Participating Series of Bonds in whole or in part, the Trustee shall value the amount in the Pooled Reserve Subaccount in accordance with Section 5.02(d)(i)(3) of the Trust Agreement, and if the Trustee determines that the amount in the Pooled Reserve Subaccount exceeds the Pooled Reserve Requirement for the Pooled Reserve Participating Series to remain Outstanding after such redemption or refunding, upon the request of 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 Pooled Reserve Requirement for the then Outstanding Bonds of the Pooled Reserve Participating Series, and the Trustee shall be entitled to rely on such certificate.

(ii) Series Reserve Subaccounts.

(1) The amounts in a Series Reserve Subaccount shall be used solely for the purposes of paying interest, principal or mandatory sinking fund payments any Bonds secured by such Series Reserve Subaccount whenever any moneys then credited to the accounts within the Bond Fund for such Bonds are insufficient for such purposes and to pay one or more Credit Providers principal due with respect to any Credit Facility deposited in a Series Reserve Subaccount to the extent that such payment will cause the amount available to be drawn under the related Credit Facility



or Credit Facilities to be reinstated in an amount at least equal to the amount of such payment. In the event that the Trustee shall be required to apply amounts in a Series Reserve Subaccount to pay interest, principal or mandatory sinking fund payments on any Bonds secured by such Series Reserve Subaccount, the Trustee shall apply all amounts (the "Series Reserve Cash Amount") in such Series Reserve Subaccount other than amounts available pursuant to draws on Credit Facilities deposited in such Series Reserve Subaccount to such payments before drawing on any such Credit Facility. If after exhausting the Series Reserve Cash Amount, the Trustee has insufficient moneys to pay interest, principal or mandatory sinking fund payments on any Bonds secured by the Series Reserve Subaccount, the Trustee shall draw on the Credit Facilities deposited in such Series Reserve Subaccount on a pro rata basis to the extent required to remedy the remaining deficiency.

(2) If amounts on deposit in the Interest Account, the Principal Account or the Redemption Account are insufficient to pay when due the principal of, premium, if any, and interest on any Bond secured by the Series Reserve Subaccount, then the Trustee will transfer from the Series Reserve Subaccount securing such Bonds to the following accounts, the following amounts to the extent available in the related Series Reserve Subaccount in the following order of priority:

(A) to the Interest Account, an amount which together with any amount on deposit therein, will be sufficient to pay the interest then due on the Bonds secured by such Series Reserve Account;

(B) to the Principal Account, an amount which together with any amount on deposit therein, will be sufficient to pay, whether at stated maturity or upon acceleration, the principal then due on the Bonds secured by such Series Reserve Account; and

(C) to the Redemption Account, an amount which together with any amount on deposit therein which is available to pay the redemption price on Bonds secured by such Series Reserve Account to be redeemed, will be sufficient to pay the redemption price then due on such Bonds.

(3) The Trustee shall compute the amount in a Series Reserve Subaccount five Business Days prior to each Interest Payment Date and each Redemption Date of the Bonds secured by such Series Reserve Account, the date of any defeasance and immediately after making any withdrawal from a Series Reserve Subaccount to cover a shortfall in the Interest Account, the Principal Account or the Redemption Account related to Bonds secured by such Series Reserve Subaccount and such other times as the Commission shall request in writing. In making this computation the Trustee will value obligations purchased as an investment of moneys in a Series Reserve Subaccount at fair market value. If the Trustee determines that the amount a Series Reserve Subaccount is less than the related Series Reserve Requirement, the Trustee shall promptly notify the Commission and the Company of the amount of such deficiency. If the Trustee determines that the amount in a Series Reserve Subaccount exceeds the related Series Reserve Requirement, such excess shall be transferred (i)

prior to the Completion Date of the Facilities financed by Bonds secured by such Series Reserve Subaccount, to the applicable Construction Fund, for deposit in the respective accounts therein on a pro rata basis, and (ii) after the Completion Date of the Facilities financed by Bonds secured by such Series Reserve Subaccount, to the Interest Account for payment of interest on such Bonds; provided that if the amount on deposit in a Series Reserve Subaccount will exceed the related Series Reserve Requirement as a result of the redemption of Bonds secured by such Series Reserve Subaccount or a defeasance of such Bonds pursuant to Article XII hereof, the excess as of the date of such redemption or defeasance may at the Written Request of Company be transferred on such redemption or defeasance date to the Principal Account or Redemption Account or an escrow account established to provide for the defeasance of such Bonds, as the case may be.

(4) Notwithstanding any other provision of this Trust Agreement, the Commission may at any time satisfy a Series Reserve Requirement in whole or in part by providing the Trustee with a Credit Facility in lieu of cash. Each such Credit Facility provided in the form of a surety bond shall be issued by a Credit Provider whose ability to pay its Credit Facilities is then rated in the highest rating category by at least one Rating Agency. Each such Credit Facility provided in the form of a letter of credit shall be issued by an institution then rated in at least the second highest rating category by at least one Rating Agency. In the event that after the substitution of a Credit Facility for all or any part of the amounts on deposit in a Series Reserve Subaccount, the amount in such Series Reserve Subaccount is greater than the related Series Reserve Requirement, upon the request of an Authorized Company Representative, the Trustee shall transfer such excess to the related accounts within the Construction Fund to be used solely for Costs of the Facilities; provided, however, that the Commission and the Company may agree upon an alternate use of such excess amount in such Series Reserve Subaccount consistent with this Trust Agreement and the Fuel System Lease so long as the Company delivers to the Trustee an Opinion of Bond Counsel acceptable to the Commission stating that another use of such amount in such Series Reserve Subaccount is permissible under the Trust Agreement and the Fuel System Lease and will not adversely affect the exclusion of interest on such Bonds from gross income for federal income tax purposes, in which case the Trustee shall dispose of such funds in accordance with a Written Order of the Commission which is consistent with such opinion.

(5) Any replenishment of a Series Reserve Subaccount shall be in the following order of priority, each requirement to be satisfied in full for all Series Reserve Subaccounts before the next requirement in priority:

(A) On a pro rata basis, payments to Credit Providers of principal then due with respect to any Credit Facility deposited in a Series Reserve Subaccount to the extent that such payments will cause the amounts available to be drawn under such Credit Facility or Credit Facilities to be reinstated in an amount at least equal to such payments; and

**(B) Other amounts required to be deposited in a Series Reserve Subaccount to increase the amount therein to the related Series Reserve Requirement.**

**(6) In the event Bonds secured by a Series Reserve Account are to be redeemed in whole or in part or the Commission notifies the Trustee in writing of its intention to refund such Bonds in whole or in part, the Trustee shall value the amount in the Series Reserve Subaccount in accordance with Section 5.02(d)(ii)(3) of the Trust Agreement, and if the Trustee determines that the amount in such Series Reserve Subaccount exceeds the Series Reserve Requirement for the Bonds secured by such Series Reserve Account to remain Outstanding after such redemption or refunding, upon the request of 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 Series Reserve Requirement for the then Outstanding Bonds secured by the Series Reserve Subaccount, and the Trustee shall be entitled to rely on such certificate.**

Section 24.06 Amendment to Section 11.02 of the Trust Agreement. The fourth sentence of the second paragraph of Section 11.02 is hereby amended to read as follows (additions to the Trust Agreement are shown in **bold underline** and deletions shown in ~~strikethrough~~ for convenience):

**“Upon receipt of consent** ~~Whenever at any time within one year after the date of such notice, the Commission shall deliver to the Trustee an instrument or instruments purporting to be executed by the Holders of not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding~~ **for the supplemental trust agreement in question**, ~~which instrument or instruments shall refer to the proposed supplemental trust agreement described in such notice, and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee; thereupon, but not otherwise, the Trustee may execute such supplemental trust agreement in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.”~~

Section 24.07 Effective Date of Amendments.

(a) All Holders, by their purchase and acceptance of the 2019 Bonds, shall be deemed to have consented to the amendments set forth herein and to have authorized the Trustee to take all actions necessary to evidence or effect such consent.

(b) The amendments to the Trust Agreement proposed herein will not be effective until Holders of not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding have consented to such amendments, which is expected to occur on the date of issuance of the 2019 Bonds.

ARTICLE XXV  
AMENDMENTS TO THE 1991 RESOLUTION

Section 25.01 Amendments to 1991 Resolution. Each Series of Bonds issued pursuant to this Trust Agreement is not “an affected Series of Bonds” for purposes of the amendments to the Commission’s Resolution No. 91-0210 contained in the Commission’s Twenty-First Supplemental Resolution, adopted by the Commission on October 3, 2017.

IN WITNESS WHEREOF, the Trustee has caused this Second Supplemental Trust Agreement to be executed by its Vice President, and the Commission has caused this Trust Agreement to be executed by the Airport Director, all as of the day and year first above written.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, as Trustee

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

AIRPORT COMMISSION OF THE CITY AND  
COUNTY OF SAN FRANCISCO

By \_\_\_\_\_  
Ivar C. Satero  
Airport Director

APPROVED AS TO FORM:

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

By \_\_\_\_\_  
Brooke D. Abola  
Deputy City Attorney