

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 97-0148

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ayes: 5
Noes: 0
Absent: 0

[SEAL]

Approved as to Form:

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

By


Deputy City Attorney

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