

RESOLUTION NO. 27386

RESOLUTION OF THE DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES AUTHORIZING ISSUANCE AND SALE OF NOT TO EXCEED THREE BILLION ONE HUNDRED MILLION DOLLARS (\$3,100,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF REVENUE BONDS, NOTES AND OTHER OBLIGATIONS PAYABLE FROM THE AIRPORT REVENUE FUND, AND ONE OR MORE SERIES OF LAX SPECIAL FACILITY OBLIGATIONS, AND CERTAIN ACTIONS WITH RESPECT THERETO

LAX

Van Nuys

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WHEREAS, the Department of Airports of the City of Los Angeles (the "Department") wishes to provide for issuance and/or incurrence, of:

(i) one or more series, of revenue bonds, notes and other obligations of the Department payable from the Los Angeles International Airport Revenue Account (the "LAX Revenue Account") of the Airport Revenue Fund (collectively the "Revenue Bonds") to (1) pay and/or reimburse the Department for capital expenditures incurred or to be incurred by the Department at Los Angeles International Airport ("LAX"), (2) if determined by a Designated Officer (as hereinafter defined) to be in the best interest of the Department, refund all or a portion of the Department's Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Series A (Governmental – Non-AMT), Series B Notes (Private Activity – AMT), Series C (Federally Taxable) and Series D (Private-Activity – Non-AMT) (collectively, the "Refunded Notes"), (3) if determined by a Designated Officer to be in the best interest of the Department, refund all or a portion of any bonds or other obligations issued by the Department, the Regional Airports Improvement Corporation or the California Municipal Finance Authority to finance or refinance projects and improvements at LAX (collectively, the "Refunded Bonds"), (4) if necessary or determined by a Designated Officer to be in the best interest of the Department, fund or provide for funding of one or more debt service reserve funds for the Revenue Bonds, (5) if necessary or determined by a Designated Officer to be in the best interest of the Department, provide credit and/or liquidity support for all or a portion of the Revenue Bonds, (6) if necessary or determined by a Designated Officer to be in the best interest of the Department, fund capitalized interest on the Revenue Bonds, and (7) pay the financing costs and the costs of issuing the Revenue Bonds; and

(ii) one or more series, of LAX Special Facility Obligations (as hereinafter defined Master Senior Indenture) to (1) pay and/or reimburse the Department or such other parties for capital expenditures incurred or to be incurred by the Department or such other parties with respect to one or more LAX Special Facilities (as defined in the Master Senior Indenture), (2) if determined by a Designated Officer to be necessary and/or advantageous in selling the LAX Special Facility Obligations, fund or provide for funding of one or more debt service reserve funds and such other funds for the LAX Special Facility Obligations, (3) if determined by a Designated Officer to be necessary and/or advantageous in selling the LAX Special Facility Obligations, provide credit and/or liquidity support for all or a portion of the LAX Special Facility Obligations, (4) if determined by a Designated Officer to be necessary and/or advantageous in selling the LAX Special Facility Obligations, fund capitalized interest on the LAX Special Facility Obligations, and (5) pay the financing costs and the costs of issuing the LAX Special Facility Obligations; and

WHEREAS, the Department is authorized under Section 609 of the Charter of the City of Los Angeles (the "Charter") and the Procedural Ordinance related thereto (Section 11.28.1 *et seq.* of the City of Los Angeles Administrative Code) (the "Procedural Ordinance" or the "Los Angeles



Administrative Code"), with the approval of the City Council of the City of Los Angeles (the "City Council") and the Mayor of the City of Los Angeles (the "Mayor"), to issue the Revenue Bonds payable from the LAX Revenue Account of the Airport Revenue Fund in accordance with the provisions of the Charter and the Procedural Ordinance (i) payable on a parity with the Department's existing senior bonded indebtedness and/or on a parity with the Department's existing subordinate bonded indebtedness and/or on a basis subordinate to the Department's existing subordinate bonded indebtedness, and/or (ii) payable from such other fees, charges, rentals and revenues deposited to the LAX Revenue Account not otherwise pledged to the payment of the Department's existing senior bonded indebtedness or existing subordinate bonded indebtedness; and

WHEREAS, the Department is authorized under the Charter and the Procedural Ordinance, with the approval of the City Council and the Mayor, and pursuant to Section 5.07 of the Master Trust Indenture, dated as of April 1, 1995, as amended (the "Master Senior Indenture"), by and between the Department, acting through the Board of Airport Commissioners of the City of Los Angeles (the "Board"), and The Bank of New York Mellon Trust Company, NA, formerly known as The Bank of New York Mellon Trust Company, NA (formerly known as The Bank of New York Trust Company, NA), successor in interest to BNY Western Trust Company, successor in interest to US Trust Company of California, NA, as trustee, to issue LAX Special Facility Obligations payable from LAX Special Facilities Revenue (as defined in the Master Senior Indenture) and such other moneys, including Pledged Revenues (as defined in the Master Senior Indenture), as provided in the Master Senior Indenture; and

WHEREAS, the Department intends to sell Revenue Bonds and LAX Special Facility Obligations pursuant to (a) private sale(s) utilizing a team of underwriters to be selected by the Department, and/or (b) through one or more private placements to one or more lending institutions selected by the Department pursuant to a competitive bidding process, if applicable, and/or (c) if determined by a Designated Officer to be in the best interest of the Department, a competitive bidding process; and

WHEREAS, pursuant to Section 11.28.4(a) of the Los Angeles Administrative Code, the Chief Financial Officer of the Department has determined that if the Revenue Bonds and/or the LAX Special Facility Obligations are sold pursuant to one or more private sales, such private sales will be of benefit to and in the financial interest of the Department and the Chief Financial Officer has provided a written report stating such determination and the reasons therefor; and

WHEREAS, the Department has determined that in connection with issuance and sale of the Revenue Bonds and the LAX Special Facility Obligations, it will be necessary and beneficial to, among other things, as applicable, request proposals from municipal bond insurers, request proposals from banks that provide letters of credit and/or liquidity facilities, request proposals from banks and other lending institutions that provide direct loans, revolving lines of credit and/or other short-term financing instruments, prepare one or more senior and/or subordinate supplemental trust indentures or such other trust indentures, prepare one or more preliminary and/or final official statements or such other offering document approved by a Designated Officer with respect to the Revenue Bonds and the LAX Special Facility Obligations, prepare one or more bond purchase agreements to be entered into with one or more underwriters, prepare one or more notice(s) inviting bids in connection with any competitive bidding process, prepare one or more reimbursement agreements, credit agreements or other agreements to be entered into with the bank(s) and/or other lending institutions providing letters of credit, liquidity facilities, direct loans, revolving lines of credit, and/or other short-term financing instruments, and prepare such other documents that may be necessary in connection with issuance of the Revenue Bonds and the LAX Special Facility Obligations; and

WHEREAS, pursuant to Resolution 26347 adopted by the Board on September 20, 2017 ("Resolution 26347"), the Department is authorized to, among other things, issue Revenue Bonds in an aggregate principal amount not to exceed \$2.2 billion, approximately \$842.6 million of which remains authorized and unissued; and

WHEREAS, pursuant to Resolution 26887 adopted by the Board on November 7, 2019 ("Resolution 26887"), the Board approved selection of certain investment banks as the underwriters of the Revenue Bonds and the LAX Special Facility Obligations; and

WHEREAS, pursuant to Resolution 26967 adopted by the Board on February 20, 2020 ("Resolution 26967"), the Board ratified and confirmed selection of the investment banks approved in Resolution 26887, and selected such investment banks to act as underwriters of the Revenue Bonds and the LAX Special Facility Obligations in an aggregate principal amount not to exceed \$3,673,500,000 (\$842,635,000 of which remains authorized and unissued) (the "Existing Authorization"); and

NOW THEREFORE, in accordance with the provisions of Section 609 of the Charter and Section 11.28.1 *et seq.* of the Los Angeles Administrative Code, the Board hereby resolves as follows:

Section 1. Recitals and Board Report. The Board hereby declares that each of the foregoing recitals is true and correct and is a representation of the Board. The Board also hereby approves the "Report to the Board of Airport Commissioners" that was prepared by the Department in connection with this Resolution and provided to the Board.

Section 2. Authorization of Revenue Bonds and LAX Special Facility Obligations.

(a) The Board hereby authorizes the Department pursuant to the Charter and the Procedural Ordinance to issue its Revenue Bonds in one or more series to (1) pay and/or reimburse the Department for capital expenditures incurred or to be incurred by the Department at LAX, (2) if determined by the Chief Executive Officer (including any person serving in an acting or interim capacity), any Deputy Executive Director (including any person serving in an acting or interim capacity), the Chief Operating Officer (including any person serving in an acting or interim capacity), the Chief Financial Officer (including any person serving in an acting or interim capacity), the Director of Finance (including any person serving in an acting or interim capacity) or any written designee of the Chief Executive Officer (each a "Designated Officer") to be in the best interest of the Department, refund all or a portion of the Refunded Notes, (3) if determined by a Designated Officer to be in the best interest of the Department, refund all or a portion of the Refunded Bonds, (4) if necessary or determined by a Designated Officer to be in the best interest of the Department, fund or provide for funding of one or more debt service reserve funds for the Revenue Bonds, (5) if necessary or determined by a Designated Officer to be in the best interest of the Department, provide credit and/or liquidity support for all or a portion of the Revenue Bonds, (6) if necessary or determined by a Designated Officer to be in the best interest of the Department, fund capitalized interest on the Revenue Bonds, and (7) pay the financing costs and the costs of issuing the Revenue Bonds.

(b) The Board hereby authorizes the Department pursuant to the Charter, the Procedural Ordinance and the Master Senior Indenture to issue its LAX Special Facility Obligations in one or more series to, among other things (1) pay and/or reimburse the Department or such other parties for capital expenditures incurred or to be incurred by the Department or such other parties with respect to one or more LAX Special Facilities, (2) if determined by a Designated Officer to be necessary and/or advantageous in selling the LAX Special Facility Obligations, fund or provide for funding of one or more debt service reserve funds and such other funds for the LAX Special Facility

Obligations, (3) if determined by a Designated Officer to be necessary and/or advantageous in selling the LAX Special Facility Obligations, provide credit and/or liquidity support for all or a portion of the LAX Special Facility Obligations, (4) if determined by a Designated Officer to be necessary and/or advantageous in selling the LAX Special Facility Obligations, fund capitalized interest on the LAX Special Facility Obligations, and (5) pay the financing costs and the costs of issuing the LAX Special Facility Obligations.

(c) The Revenue Bonds and the LAX Special Facility Obligations shall be subject to the following provisions: (i) the proceeds of the Revenue Bonds may be used for the purposes set forth above under paragraph (a); (ii) the proceeds of the LAX Special Facility Obligations may be used for the purposes set forth above under paragraph (b); (iii) the aggregate maximum principal amount of Revenue Bonds and LAX Special Facility Obligations that may be issued under this Resolution shall not exceed \$3,100,000,000 (the "New Authorization"); (iv) no Revenue Bonds or LAX Special Facility Obligations issued under this authorization shall have a term longer than 35 years from their respective date(s) of issue; and (v) no Revenue Bonds or LAX Special Facility Obligations issued under this Resolution shall bear interest at a rate exceeding twelve percent (12%) per annum or such lesser or greater maximum rate as shall then be permitted by law; provided, however, that this interest rate limitation shall not preclude the Department from incurring one or more repayment obligations under liquidity support agreements, reimbursement agreements, credit agreements, direct loan agreements and/or such other short-term lending agreements at such higher rates as are set out in such documents, provided such rates are not in excess of the maximum rates permitted by law. The principal amount of Revenue Bonds authorized pursuant to this Section 2 is in addition to the remaining principal amount of Revenue Bonds previously authorized pursuant to Resolution 26347. LAX Special Facility Obligations shall only be issued pursuant to this Resolution and not pursuant to Resolution 26347 or Resolution 26967.

Section 3. Revenue Bonds are Payable from Airport Revenue Fund. The Revenue Bonds shall be payable by the Department from the LAX Revenue Account of the Airport Revenue Fund in accordance with the Charter and shall have such priority on the moneys in the LAX Revenue Account of the Airport Revenue Fund as shall be set forth in the financing documents providing for issuance of the Revenue Bonds, which financing documents shall be approved by this Board at a later date. Said Revenue Bonds may be made payable (i) on a parity with the Department's existing senior bonded indebtedness and/or on a parity with the Department's existing subordinate bonded indebtedness and/or on a basis subordinate to the Department's existing subordinate bonded indebtedness, and/or (ii) from such other fees, charges, rentals and revenues deposited to the LAX Revenue Account of the Airport Revenue Fund not otherwise pledged to the payment of the Department's existing senior bonded indebtedness or existing subordinate bonded indebtedness. The Revenue Bonds may be issued so that the interest thereon shall be excluded from gross income for federal income tax purposes or not excluded therefrom or as a combination thereof, and may be issued so that the interest thereon is payable at fixed interest rates or at variable or adjustable interest rates or at such rates in combination thereof determined in such manner as shall be acceptable to the Department.

Section 4. LAX Special Facility Obligations are Payable from LAX Special Facilities Revenues. The LAX Special Facility Obligations shall be payable from LAX Special Facilities Revenue (as defined in the Master Senior Indenture) and such other moneys, including Pledged Revenues (as defined in the Master Senior Indenture), as provided in the Master Senior Indenture, as shall be set forth in the financing documents providing for issuance of the LAX Special Facility Obligations, which financing documents shall be approved by this Board at a later date. If provided in the financing documents providing for issuance of the LAX Special Facility Obligations, any pledge of Pledged Revenues may be made on a parity with the Department's existing senior bonded indebtedness and/or on a parity with the Department's existing subordinate bonded indebtedness and/or on a basis subordinate to the Department's existing subordinate bonded

indebtedness. The LAX Special Facility Obligations may be issued so that the interest thereon shall be excluded from gross income for federal income tax purposes or not excluded therefrom or as a combination thereof, and may be issued so that the interest thereon is payable at fixed interest rates or at variable or adjustable interest rates or at such rates in combination thereof determined in such manner as shall be acceptable to the Department.

Section 5. Private Sales Authorized (Negotiated Underwriting). If determined by a Designated Officer to be in the best interest of the Department, all or a portion of the Revenue Bonds and all or a portion of the LAX Special Facility Obligations may be sold pursuant to one or more private sales accomplished through one or more private negotiated sale(s) to or through underwriters selected, from time to time, by the Department, such sales being evidenced by one or more underwriting agreements or bond purchase agreements approved, from time to time, by the Department.

Section 6. Selection of Underwriting Firms. Pursuant to Resolutions 26887 and 26967, the Board approved selection of certain investment banks as the underwriters for the private negotiated sales of the Revenue Bonds, including: Citigroup Global Markets Inc., Loop Capital Markets LLC and Samuel A. Ramirez & Co. Inc. (collectively, the "Existing Underwriters"). The Board hereby ratifies and confirms its selection of the Existing Underwriters pursuant to Resolutions 26887 and 26967, and selects the Existing Underwriters as the underwriters for the private negotiated sale(s) of one or more series of Revenue Bonds in an aggregate principal amount not to exceed \$1,100,000,000 minus the principal amount of Revenue Bonds issued pursuant to the Existing Authorization between the date hereof and the date of pricing of the bonds to be underwritten by the Existing Underwriters. As of the date hereof, Department staff is in the process of finalizing the selection of a new pool of investment banks (the "New Underwriters") that will be the underwriters for the private negotiated sales of Revenue Bonds and LAX Special Facility Bonds in an aggregate principal amount not to exceed the amount of New Authorization remaining after sale of the Revenues Bonds by the Existing Underwriters as described above. The New Underwriters shall be approved by this Board at a later date.

Section 7. Submission of Resolution to Mayor and City Council. In accordance with the Charter and the Procedural Ordinance, the Board hereby authorizes transmittal and submission of this Resolution to the Mayor and the City Council for their respective approvals. By submission of this Resolution to the City Council for approval pursuant to Section 11.28.2 of the Los Angeles Administrative Code, the Board hereby provides the City Council an opportunity to disapprove the selection of the Existing Underwriters, as required under Section 609(d)(3) of the Charter and Section 11.28.4(b) of the Los Angeles Administrative Code.

Section 8. Authorization to Proceed with Documents. The officers, agents and employees of the Department are hereby authorized, empowered and directed to take such preliminary actions as they deem necessary and appropriate with regard to the preparation of documents for issuance and sale of the Revenue Bonds and the LAX Special Facility Obligations, the potential refunding of the Refunded Notes, and the potential refunding of the Refunded Bonds, including, but not limited to, the preparation of one or more senior and/or subordinate supplemental trust indentures or other trust indentures, the preparation of one or more preliminary official statements with respect to the Revenue Bonds and the LAX Special Facility Obligations, the preparation of one or more bond purchase agreements to be entered into by the Department with one or more of the Existing Underwriters and/or the New Underwriters (once approved by the Board and not otherwise disapproved by the City Council pursuant to Section 11.28.2 of the Los Angeles Administrative Code) pursuant to one or more private negotiated sale(s), the preparation of one or more notices inviting bids to be used in connection with one or more competitive bidding processes, the solicitation of proposals from and negotiating with letter of credit banks and/or liquidity facility providers and/or bond insurers, the solicitation of proposals from and negotiating with banking and

other lending institutions that agree to purchase Revenue Bonds and/or the LAX Special Facility Obligations from the Department pursuant to a private placement in the form of a direct loan, revolving line of credit or other short-term financing instrument, the application for bond ratings, the solicitation of proposals from and negotiating with trustees and paying agents, and publishing and sending any notices regarding the refunding of the Refunded Notes and the Refunded Bonds.

Section 9. California Environmental Quality Act. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act ("CEQA") as provided by Article II, Section 2.f. of the Los Angeles City CEQA Guidelines.

Section 10. Effective Date. This Resolution shall take effect upon approval by the Mayor and City Council in the manner and at the time set forth in the Charter, including Section 11.28.2 *et seq.* of the Los Angeles Administrative Code.

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I hereby certify that this Resolution No. 27386 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, November 18, 2021.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS