

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**  
**RESOLUTION NO. 08-0185**

**RESOLUTION AMENDING PREVIOUSLY ADOPTED REFUNDING BOND SALE RESOLUTIONS NOS. 05-0183 AND 07-0043 TO INCREASE THE MAXIMUM PRINCIPAL AMOUNT BY AN ADDITIONAL \$940 MILLION; AMENDING RESOLUTIONS NOS. 04-0219 AND 05-0184 TO CONFIRM THE AUTHORIZATION TO MODIFY, AMEND, TERMINATE AND REPLACE ONE OR MORE EXISTING INTEREST RATE SWAP TRANSACTIONS; AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS AND THE EXECUTION AND DELIVERY OF CERTAIN RELATED DOCUMENTS TO RESTRUCTURE OUTSTANDING VARIABLE RATE BONDS**

WHEREAS, the Airport Commission (the "Commission") of the City and County of San Francisco duly adopted its Resolution No. 91-0210 on December 3, 1991 (as previously amended and supplemented, the "1991 Resolution"), providing for the issuance of San Francisco International Airport Second Series Revenue Bonds ("Bonds") with The Bank of New York Trust Company, N.A., as bond trustee; and

WHEREAS, the Commission duly adopted its Resolution No. 05-0183 on October 11, 2005, as amended by its Resolution No. 07-0043, adopted on February 20, 2007 (the "Refunding Sale Resolution") authorizing the sale of up to \$350,000,000 principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds, Issue 2010A (the "Refunding Bonds") in order to refund outstanding Bonds of the Commission; and

WHEREAS, the Commission issues from time to time its Second Series Variable Rate Revenue Refunding Bonds, in various series (the "Variable Rate Bonds"), currently outstanding in the aggregate principal amount of \$778,855,000, pursuant to Resolutions Nos. 05-0182, 05-0183, 07-0043, 07-0267 and 08-0045 (the "Prior Sale Resolutions") and the 1991 Resolution; and

WHEREAS, in light of recent developments in the global financial markets, the Commission has determined that it is necessary and desirable to further amend the Refunding Sale Resolution to increase the maximum authorized principal amount of Refunding Bonds by \$940,000,000, from \$350,000,000 to \$1,290,000,000, in order to refund and restructure all or a portion of the outstanding Variable Rate Bonds; and

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**WHEREAS, the Commission further desires to confirm the authority delegated to the Airport Director in the Prior Sale Resolutions, and to authorize other restructuring actions with respect to all or a portion of its Variable Rate Bonds at any time outstanding, for the purpose of reducing the aggregate interest expense of the Airport, reducing or hedging interest rate volatility, diversifying interest rate risk, and reducing or diversifying direct and indirect exposure to credit or liquidity enhancers of the Airport's debt; and**

**WHEREAS, the Commission, by its Resolution No. 04-0219, adopted on November 2, 2004, and its Resolution No. 05-0184, adopted on October 11, 2005 (collectively, the "Prior Swap Resolutions"), approved, and subsequently entered into, certain interest rate swap transactions (the "Swap Transactions") relating to certain of its planned and outstanding Variable Rate Bonds; and**

**WHEREAS, in light of recent developments in the global financial markets, the Commission has determined that it is necessary and desirable to amend the Prior Swap Resolutions to confirm the authority of the Airport Director to modify, amend, terminate or replace one or more of its existing Swap Transactions, if market conditions so warrant, by the execution of such documents and agreements the forms of which have been previously approved by the Commission; and**

**WHEREAS, the Commission has determined that it may be necessary and desirable to enter into one or more Trust Account Agreements (the "Trust Account Agreements") in substantially the form on file with the Commission's Secretary in order to temporarily purchase and hold outstanding Variable Rate Bonds of the Commission until such outstanding Variable Rate Bonds can be remarketed (a "Refunding Trust Transaction"), and the Commission desires now to authorize such transactions and the form of such Trust Account Agreements; and**

**WHEREAS, the Commission previously authorized the issuance of its San Francisco International Airport, Subordinate Commercial Paper Notes, Series A, B and C (the "Notes") pursuant to Resolution No. 97-0146, as amended and supplemented (the "Subordinate Master Resolution"), and has now determined that it may be necessary and desirable to issue its Notes from time to time for the purpose of refunding all or a portion of the outstanding Variable Rate Bonds on an interim basis and of financing any payment(s) owed as a result of the modification, amendment, termination or replacement of the existing Swap Transactions, and the Commission desires now to authorize the issuance of Notes for such purpose;**

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

**Section 1. Increase in Maximum Aggregate Principal Amount of Refunding Bonds.** The amount of "\$350,000,000" in the Refunding Sale Resolution is hereby amended to read "\$1,290,000,000" as the maximum aggregate principal amount of Refunding Bonds that may be issued in accordance with the provisions of the 1991 Resolution and the Refunding Sale Resolution. The term "Issue 2010A" as it appears in the Refunding Sale Resolution is hereby amended wherever it appears therein to read "Refunding."

**Section 2. Change of Interest Rate Mode on Outstanding Variable Rate Bonds.** The Airport Director is hereby authorized and directed to execute and deliver such documents and take such actions as may be necessary or desirable and not otherwise inconsistent with the purposes of this resolution and the adopted policies of the Commission to change, from time to time, the interest rate Mode (as defined in the 1991 Resolution) on all or any portion of the outstanding Variable Rate Bonds to any other interest rate Mode permitted under the 1991 Resolution, and to cause the remarketing of such outstanding Variable Rate Bonds in the new interest rate Mode.

**Section 3. Confirmation of Prior Sale Resolutions.** The delegations of authority to the Airport Director in the Prior Sale Resolutions, including without limitation with respect to official statements, bond insurance, reserve account surety bonds, and standby bond purchase agreements, are hereby confirmed in connection with any interest rate Mode change, refunding, restructuring or remarketing of any outstanding Variable Rate Bonds. The Airport Director is further authorized to execute and deliver such documents and take such actions as may be necessary or desirable to suspend or terminate any bond insurance policy with respect to any outstanding Variable Rate Bonds and to remarket such outstanding Variable Rate Bonds with or without new credit or liquidity enhancement.

**Section 4. Liquidity Facilities.** The Airport Director is authorized to execute and deliver one or more Standby Bond Purchase Agreements (each a "Standby Agreement") and Letter of Credit and Reimbursement Agreements (each a "Reimbursement Agreement"), if necessary, with a bank or other financial institution selected through a competitive process in such manner as determined by the Airport Director, substantially in the forms previously submitted and approved by the Commission in the Refunding Sale Resolution and the Prior Sale Resolutions, with

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respect to any planned and outstanding Variable Rate Bonds, with such changes thereto as may be approved by the Airport Director upon consultation with the City Attorney, such approval to be evidenced conclusively by the execution and delivery of each such Standby Agreement or Reimbursement Agreement. The Airport Director is further authorized to execute and deliver one or more amendments to any existing Standby Agreements and Reimbursement Agreements, provided that any such amendments are necessary to further the purposes of this Resolution and not otherwise inconsistent with the adopted policies of the Commission.

**Section 5. Refunding Trust Transactions.** The Airport Director is hereby authorized to make and enter into such arrangements as may be necessary or desirable to effect one or more Refunding Trust Transactions to purchase, hold, remarket and/or refund all or any portion of the outstanding Variable Rate Bonds, including the execution and delivery of Trust Account Agreements. The proposed form of Trust Account Agreement on file with the Commission Secretary is hereby approved, and the Airport Director or his designee is hereby authorized to execute and deliver one or more of such Trust Account Agreements with the Trustee or with a bank or other financial institution selected through a competitive process in such manner as determined by the Airport Director, in substantially such form, with such changes to any such agreement as the person signing the same may with the advice of the City Attorney determine to be necessary or desirable, such determination to be conclusively evidenced by the execution and delivery thereof.

**Section 6. Commercial Paper Refundings.** The Airport Director is hereby authorized to cause Notes to be issued in accordance with the provisions of the Subordinate Master Resolution in order to refund outstanding Variable Rate Bonds on an interim basis or to finance the payment of any termination payment owed in connection with the modification, amendment, termination or replacement of any Swap Transaction, in furtherance of the purposes of this resolution.

**Section 7. Broker-Dealers and Remarketing Agents.** The Airport Director is hereby authorized from time to time to remove, replace, select and appoint underwriters, broker-dealers and remarketing agents from the Airport's then current Adjustable Rate and/or Variable Rate Underwriting Pools as may be necessary or desirable in connection with any Refunding Bonds, Refunding Trust Transactions and outstanding Variable Rate Bonds.

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**Section 8. Ratification of Refunding Sale Resolution.** All the terms and provisions contained in Sections 1 through 7 of this Resolution shall form a part of the Refunding Sale Resolution as fully and with the same effect as if all such terms and provisions had been set forth therein. The Refunding Sale Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended by this Resolution.

**Section 9. Confirmation of Prior Swap Resolutions.** The delegations of authority to the Airport Director in the Prior Swap Resolutions and in Resolution No. 08-0045, including without limitation with respect to the modification, amendment, termination and replacement of any existing Swap Transaction, are hereby confirmed in connection with any planned or outstanding Variable Rate Bonds. The Airport Director is hereby further authorized and directed to make and enter into such arrangements and to execute and deliver such documents, substantially in the forms previously submitted and approved by the Commission in the Prior Swap Resolutions, as may be necessary or desirable to modify, amend, terminate and replace any existing Swap Transaction, if necessary, with a bank or other financial institution selected through a competitive or negotiated process in a manner determined by the Airport Director and not inconsistent with the purposes of this resolution, the Prior Swap Resolutions or the adopted policies of the Commission. Any replacement Swap Transaction shall comply with the parameters set forth in the applicable Prior Swap Resolution.

**Section 10. Ratification of Prior Swap Resolutions.** All the terms and provisions contained in Section 9 of this Resolution shall form a part of the Prior Swap Resolutions as fully and with the same effect as if all such terms and provisions had been set forth therein. The Prior Sale Resolutions are hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended by this Resolution.

**Section 11. Modification of Forward Purchase and Sale Agreements.** The Airport Director is hereby authorized and directed to make and enter into such arrangements and to execute and deliver such documents as may be necessary or desirable to modify, amend, terminate and replace any forward purchase and sale agreement in any manner not inconsistent with the purposes of this resolution or the adopted policies of the Commission.

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**Section 12. Further Actions.** The actions of the officers, agents and employees of the Commission prior to the adoption of this Resolution to obtain credit and liquidity enhancement from creditworthy providers, to modify, amend, terminate and replace any existing Swap Transaction, and to consummate the issuance and sale of the Refunding Bonds, the Refunding Trust Transactions, the refunding, refinancing, restructuring, and interest rate Mode change of any outstanding Variable Rate Bonds, and including the preparation of one or more preliminary Official Statements or Offering Memoranda and the publication and distribution of one or more notices of intention, are hereby ratified, approved and confirmed. The Airport Director and the other officers, agents and employees of the Commission are hereby 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 obtain credit and liquidity enhancement from creditworthy providers, to modify, amend, terminate and replace any existing Swap Transaction, and to accomplish the sale, issuance and delivery of the Refunding Bonds, the Refunding Trust Transactions, the refunding, refinancing, restructuring, interest rate Mode change of any outstanding Variable Rate Bonds, and the other transactions contemplated hereby.



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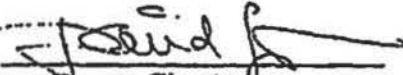
ADOPTED by the Airport Commission of the City and County of San Francisco this  
\_\_\_ day October, 2008, by the following vote:

4 Ayes:  
0 Noes:  
1 Absent:

[SEAL]

Approved as to Form:

**DENNIS J. HERRERA**  
City Attorney

By   
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of . . . . . **OCT 07 2008**

  
Secretary