

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 05-0181

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$270,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE REFUNDING BONDS, PROVIDING FOR THE DELEGATION OF THE NEGOTIATED SALE OF SUCH BONDS TO THE AIRPORT DIRECTOR, APPROVING AN ADDITIONAL \$900,000,000 OF REFUNDING BONDS, APPROVING CERTAIN DOCUMENTS AND AMENDMENTS IN CONNECTION THEREWITH, APPROVING ASSURED GUARANTY CORP. AS A PROVIDER OF SURETY BONDS AND BOND INSURANCE, AND APPROVING CERTAIN AMENDMENTS TO 1991 MASTER BOND RESOLUTION IN CONNECTION WITH THE ISSUANCE OF VARIABLE RATE BONDS

WHEREAS, the Airport Commission (the "Commission") of the City and County of San Francisco (the "City"), on December 3, 1991, duly adopted its Resolution No. 91-0210, providing for the issuance of San Francisco International Airport Second Series Revenue Bonds (which Resolution, as previously supplemented and amended, and as supplemented by this resolution (this "Resolution"), is herein called the "1991 Resolution"); and

WHEREAS, the Commission, pursuant to the 1991 Resolution, has previously authorized the issuance of up to \$3,400,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds (the "Refunding Bonds"), of which \$1,855,225,000 has been issued to date and \$1,544,775,000 remains unissued and of which the San Francisco International Airport Second Series Revenue Refunding Bonds, Issue 32F authorized by this Resolution (the "Issue 32F Bonds") is one Series; and

WHEREAS, the Commission has determined that it may be desirable from time to time to refund and defease certain outstanding San Francisco International Airport Second Series Revenue Bonds (the "Refunded Bonds") and desires now to authorize an additional \$900,000,000 aggregate principal amount of Refunding Bonds; and

WHEREAS, the City's Board of Supervisors (the "Board") by its Resolutions Nos. 583-98, 811-00, 113-02, 800-03 and 733-04, approved the issuance of a total aggregate principal amount of not to exceed \$2,900,000,000 of Refunding Bonds, of which \$1,044,775,000 remains unissued, and the Commission desires now to authorize the Airport Director to request the Board to approve an additional \$1,400,000,000 aggregate principal amount of Refunding Bonds; and

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WHEREAS, pursuant to Section 5-24.07 (b) of the 1991 Resolution, the Airport Director has determined that it is desirable that the Issue 32F Bonds be a Participating Series with respect to the Issue 1 Reserve Account; and

WHEREAS, the Commission has determined that it may be desirable to obtain a Credit Facility (as defined in the 1991 Resolution) to fund up to the amount required to be deposited in the Issue 1 Reserve Account upon the issuance of the Issue 32F Bonds and desires now to authorize the Airport Director to select one or more providers of surety bonds, including, without limitation Assured Guaranty Corp.; and

WHEREAS, the Commission has determined that it may be desirable to obtain a Credit Facility to secure the payment of the principal of, and interest on, the Issue 32F Bonds and desires now to authorize the Airport Director to select one or more providers of municipal bond insurance, including, without limitation Assured Guaranty Corp.; and

WHEREAS, in order to accomplish the timely sale of the Issue 32F Bonds, to facilitate the timely receipt of funds for the refinancing of the development, acquisition, construction and equipping of Airport capital projects and to achieve the lowest possible interest, issuance and other costs to the Commission with respect to the Issue 32F Bonds, the Commission has determined that it is desirable to delegate to the Airport Director the authority to negotiate, for and on behalf of the Commission, the sale of the Issue 32F Bonds to the purchasers thereof in accordance with the provisions of this Resolution; and

WHEREAS, on December 2, 2002, in response to a Request for Qualifications authorized by the Commission, the Commission established its Fixed Interest Rate Underwriting Pool of qualified underwriters (consisting of E. J. De La Rosa & Co., Inc., J.P. Morgan Securities Inc., Bear, Stearns & Co. Inc., UBS Financial Services Inc., Banc of America Securities LLC, Jackson Securities LLC, Sjebert Brandford Shank & Co. LLC, Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc., Lehman Brothers, Inc., Loop Capital Markets, LLC, Henderson Capital Partners LLC and M.R. Beal & Company) and desires now to authorize the Airport Director to select and appoint underwriters from such pool for the Issue 32F Bonds (the "Underwriters"); and

WHEREAS, pursuant to Section 9.01(f) of the 1991 Resolution the Commission may make any change or addition to the 1991 Resolution to provide for the issuance of, and to set the terms and conditions of, each additional Series of Bonds under the 1991 Resolution; and

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

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WHEREAS; the Commission has determined that it is necessary and desirable to amend the 1991 Resolution, as previously amended, in order to (a) increase the aggregate principal amount of Refunding Bonds from \$3,400,000,000 to \$4,300,000,000, (b) extend the final date upon which a Bond Purchase Contract may be entered into or bids for the purchase of a Series of Refunding Bonds may be received to December 31, 2010, and (c) provide that no Series of Refunding Bonds shall have a final maturity after May 1, 2050, and has received the form of an Opinion of Bond Counsel that such amendments will not have a material adverse effect on the interests of the Holders; and

WHEREAS, the Commission has determined that it is necessary and desirable to make certain technical amendments to the 1991 Resolution in order to bring the provisions relating to the issuance of Variable Rate Bonds in harmony with current market practices; and

WHEREAS, the Commission has received the form of an Opinion of Bond Counsel that such amendments and increased refunding bond authorization will not have a material adverse effect on the interests of the Holders;

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

Section 1. Commission Findings. (a) The Commission hereby finds that sufficient unencumbered balances are expected to be available in the proper funds and accounts of the Airport to meet all payments due under the Issue 32F Bonds as they become due.

(b) In accordance with Section 2.02 of the 1991 Resolution, the Commission hereby finds that it is desirable to authorize the negotiated sale of Issue 32F Bonds in accordance with Section 3 hereof in order to accomplish the timely sale of the Issue 32F Bonds and to achieve the lowest possible interest, issuance and other costs to the Commission with respect to the Issue 32F Bonds.

Section 2. Terms of the Issue 32F Bonds. The Airport Director is hereby authorized and directed, for and on behalf of and in the name of the Commission, to determine the principal amounts, first interest payment dates, dated dates and maturity dates (including serial maturities and/or term maturities) of the Issue 32F Bonds, the amounts and dates of any mandatory sinking fund payments, and the interest rates to be borne by the Issue 32F Bonds; *provided, however,* that the aggregate principal amount of Issue 32F Bonds shall not exceed \$270,000,000 or such lesser principal amount as shall be authorized by the Board; no Issue 32F

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Bond shall bear interest at a rate in excess of five and one-half percent (5.50%) per annum; the final maturities of the Issue 32F Bonds shall be no later than May 1, 2040; and the net present value savings from the issuance of the Issue 32F shall be not less than two percent (2.0%) of the aggregate debt service on the refunded bonds, as reasonably determined by the Commission's financial advisors.

Section 3. Negotiated Sale of Issue 32F Bonds. The Commission hereby authorizes the Airport Director to select and appoint underwriters (the "Underwriters") from the Fixed Interest Rate Underwriting Pool (consisting of E. J. De La Rosa & Co., Inc., J.P. Morgan Securities Inc., Bear, Stearns & Co. Inc., UBS Financial Services Inc., Banc of America Securities LLC, Jackson Securities LLC, Siebert Brandford Shank & Co. LLC, Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc., Lehman Brothers, Inc., Loop Capital Markets, LLC, Henderson Capital Partners LLC and M.R. Beal & Company) for the Issue 32F Bonds. The Airport Director may appoint members of such pool from time to time as additional or substitute underwriters if the Airport Director determines it is necessary or desirable in order to achieve the timely sale of the Issue 32F Bonds at the lowest possible cost. The Airport Director is hereby authorized and directed, for and on behalf and in the name of the Commission, to sell at negotiated sale on or before December 31, 2006, for current or forward delivery, the Issue 32F Bonds in such aggregate principal amount as he may determine in accordance with a bond purchase agreement substantially in the form presented to this meeting and on file with the Secretary, which form is hereby approved 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 delivery to the Underwriters of such bond purchase agreement, as so added to or changed. The Airport Director or his designee is hereby authorized to execute and deliver one or more bond purchase agreements with the Underwriters; *provided, however*, that the total compensation to the Underwriters shall not exceed 1% of the par value of the Issue 32F Bonds. The Issue 32F Bonds shall be delivered to the Underwriters upon payment of the purchase price, namely, the par value thereof, plus the premium or less the discount set forth in the bond purchase agreement, together with accrued interest, if any, at the rates set forth in the bond purchase agreement. The Issue 32F Bonds shall bear interest at said rates, payable on such May 1 or November 1 occurring not more than one year following the issuance of the Issue 32F Bonds as the Airport Director may determine, and semiannually thereafter on May 1 and November 1 in each year and shall be distinguished by the designation "Issue 32F" or such other alpha-numeric designations as the Airport Director may determine.

Section 4. Authentication and Delivery of the Issue 32F Bonds. The Issue 32F Bonds, when prepared, shall be delivered to The Bank of New York Trust Company, N.A. (successor to BNY Western Trust Company), as trustee (the "Trustee") under the 1991 Resolution for authentication by the Trustee, as Authenticating Agent. The Trustee is hereby

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authorized and directed to authenticate the Issue 32F Bonds by executing the certificates of authentication appearing thereon, and to deliver the Issue 32F Bonds when duly authenticated to The Depository Trust Company for the respective accounts of the Underwriters in accordance with written instructions executed on behalf of the Commission by the President of the Commission and the Secretary, which instructions the President and the Secretary are hereby authorized and directed to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Issue 32F Bonds upon payment of the purchase price therefore.

Section 5. Preliminary Official Statement; Continuing Disclosure. The Airport Director is hereby directed to cause the preparation of a preliminary and a final Official Statement for the Issue 32F Bonds in substantially the form of the Official Statement for the Commission's Issue 31F Bonds. The Underwriters are hereby authorized to distribute the preliminary Official Statement with such changes, modifications and additions thereto as the Airport Director may approve upon consultation with the City Attorney, such approval to be evidenced conclusively by the delivery by the Airport Director of said preliminary Official Statement as so added to or changed. The Airport Director is hereby further authorized to deliver a final Official Statement, in substantially the form of said preliminary Official Statement, with such changes and additions thereto as the Airport Director may approve upon consultation with the City Attorney, such approval to be evidenced conclusively by the delivery by the Airport Director of said final Official Statement as so added to or changed. The Airport Director is hereby authorized to certify that the preliminary Official Statement is, as of its date, "deemed final" by the Commission within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The Airport Director is hereby further authorized and directed to certify and agree on behalf of the Commission to provide certain financial information and operating data of the Commission annually and notices of certain events, if material, pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission and to execute and deliver a continuing disclosure certificate for the benefit of the holders and beneficial owners of the Issue 32F Bonds in the form approved by the Airport Director upon consultation with the City Attorney, such approval to be conclusively evidenced by the delivery thereof by the Airport Director.

Section 6. Reserve Account Surety Bond. The Airport Director is hereby authorized, for and on behalf of and in the name of the Commission, to select one or more providers of surety bonds (each a "Reserve Account Surety Bond"), including, without limitation Assured Guaranty Corp. ("Assured Guaranty"), to fund up to the amount required to be deposited in the Issue 1 Reserve Account upon the issuance of the Issue 32F Bonds. The Airport Director is hereby further authorized to execute and deliver a guaranty or reimbursement agreement among such surety bond provider, the Trustee or the Commission, in such form as may be approved by the Airport Director upon consultation with the City Attorney, such

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approval to be evidenced conclusively by the delivery of such guaranty agreement. The form of Reimbursement Agreement relating to Assured Guaranty in substantially the form presented to this meeting and on file with the Secretary, is hereby approved with such changes and additions as the Airport Director may approve upon consultation with the City Attorney. The Airport Director is hereby further authorized to execute and deliver such other documents, agreements and certificates as may be necessary or desirable to obtain and implement each Reserve Account Surety Bond, each of such documents to be in such form 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 such documents.

Section 7. Investments; Forward Purchase and Sale Agreements. The Airport Director is hereby authorized to direct the Trustee to invest (i) the amount, if any, required to be deposited in the Issue 1 Reserve Account upon the issuance of the Issue 32F Bonds, and (ii) the amounts required to be deposited from time to time in the Debt Service Fund with respect to the Issue 32F Bonds, in Permitted Investments (as defined in the 1991 Resolution), including without limitation in accordance with separate Forward Purchase and Sale Agreements, substantially in the form presented to this meeting and on file with the Secretary, with respect to such securities entered into among the Trustee, a financial institution approved by the Airport Director and/or the Commission. The provider or providers of such securities shall be selected pursuant to a competitive selection process as shall be necessary or desirable to comply with applicable Federal tax law.

Section 8. Refunding Escrow; Escrow Float Agreement. The Airport Director is hereby authorized to execute and deliver one or more escrow agreements (the "Bond Escrow Agreement") with The Bank of New York Trust Company, N.A., as escrow agent (the "Escrow Agent"), substantially in the form presented to this meeting and on file with the Secretary, to provide for the defeasance of the Refunded Bonds, such Bond Escrow Agreement to be in final form 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 such Bond Escrow Agreement. The Airport Director is hereby authorized to direct the Escrow Agent, pursuant to the Bond Escrow Agreement, to invest amounts in the escrow fund from time to time in certain securities issued or guaranteed by the United States of America, including without limitation in accordance with a separate Forward Purchase and Sale Agreement, substantially in the form presented to this meeting and on file with the Secretary, with respect to such securities entered into between the Escrow Agent and a financial institution approved by the Airport Director. The provider or providers of such securities shall be selected pursuant to a competitive selection process as shall be necessary or desirable to comply with applicable Federal tax law.

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Section 9. Refunded Bonds. The Airport Director is hereby authorized, for and on behalf of and in the name of the Commission, to select the principal amounts and maturities of the Refunded Bonds to be defeased or called for redemption.

Section 10. Refunding of Interest. The Airport Director is hereby authorized, for and on behalf of and in the name of the Commission, taking into account the current financial needs of the Airport, to provide for the refunding of interest paid on outstanding 1991 Resolution Bonds from a portion of the proceeds of the Issue 32F Bonds, in an amount to be determined by the Airport Director.

Section 11. Bond Insurance. The Airport Director is hereby authorized, for and on behalf of and in the name of the Commission, to select one or more providers of municipal bond insurance policies, including, without limitation, Assured Guaranty, to secure the payment of the principal of, and interest on, the Issue 32F Bonds. Such municipal bond insurers shall be selected through a competitive selection process. The Airport Director is hereby further authorized to execute and deliver such documents, agreements and certificates as may be necessary or desirable to obtain and implement such municipal bond insurance policy, each of such documents to be in such form 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 such documents.

Section 12. Further Actions. 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 Issue 32F Bonds, including the preparation of a preliminary Official Statement and the publication and distribution of a notice 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 accomplish the sale, issuance and delivery of the Issue 32F Bonds and the other transactions contemplated hereby.

Section 13. Amendments Relating to Refunding Bond Authorization. The 1991 Resolution is hereby amended by adding the following Article thereto, which is hereby incorporated therein, with the appropriate alpha-numeric issue, section and article references:

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ARTICLE 32-LXXVI

AMENDMENTS TO 1991 RESOLUTION

SECTION 32-76.01. Amendment to Terms of Refunding Bonds. In accordance with Section 9.01(m) of the 1991 Resolution, in order to (a) authorize the issuance of an additional aggregate principal amount of not to exceed \$900,000,000 of Refunding Bonds (resulting in a total aggregate principal amount of Refunding Bonds of not to exceed Four Billion Three Hundred Million Dollars (\$4,300,000,000) for the purposes of refunding, paying, calling and retiring a portion or all of one or more Series of outstanding 1991 Resolution Bonds and Subordinate Bonds, funding debt service reserves, and paying costs of issuance, including any redemption premiums, in connection therewith, each of the references in the 1991 Resolution (including in Section 18-52.01 thereof, as previously amended and supplemented, including by the Seventh and Tenth Supplemental Resolutions) to "\$3,400,000,000" and "Three Billion Four Hundred Million Dollars" of Refunding Bonds is hereby amended to read "\$4,300,000,000" and "Four Billion Three Hundred Million Dollars" of Refunding Bonds, and (b) extend the final date upon which a Bond Purchase Contract may be entered into or bids for the purchase of a Series of Refunding Bonds may be received, any references in the 1991 Resolution (including in Section 18-52.01(c) thereof, as previously amended and supplemented, including by the Seventh and Tenth Supplemental Resolutions) to "December 31, 2007" as the final date upon which a Bond Purchase Contract may be entered into or bids for the purchase of a Series of Refunding Bonds may be received, is hereby amended to read "December 31, 2010". The 1991 Resolution, as previously amended and supplemented, including by the Seventh and Tenth Supplemental Resolutions, is hereby further amended to provide that no Series of Refunding Bonds shall have a final maturity after May 1, 2050.

Section 14. Amendments Relating to Variable Rate Provisions. The Eleventh Supplemental Resolution and 1991 Resolution are hereby amended by adding the following Article thereto, which is hereby incorporated therein, with the appropriate alpha-numeric issue, section and article references:

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ARTICLE 32-LXXVII

**AMENDMENTS TO ELEVENTH SUPPLEMENTAL RESOLUTION
AND 1991 RESOLUTION**

SECTION 32-77.01. Amendment to Definition of "Interest Period". Subsection (c) of the definition of "Interest Period" in Section 30-64.01 of the Eleventh Supplemental Resolution (incorporated into Section 1.01 of the 1991 Resolution) is hereby amended to read as follows:

(c) for a Series of Variable Rate Bonds in the Weekly Mode, the period from (and including) the Mode Change Date upon which such Variable Rate Bonds are changed to the Weekly Mode to (and including) the next Rate Determination Date, and thereafter the period from (and including) the day following each Rate Determination Date to (and including) the next Rate Determination Date;

SECTION 32-77.02. Amendment to Definitions of "Interest Payment Date" and "Rate Determination Date". The definitions of "Interest Payment Date" and "Rate Determination Date" in Section 30-64.01 of the Eleventh Supplemental Resolution (incorporated into Section 1.01 of the 1991 Resolution) is hereby amended to read as follows:

"Interest Payment Date" means each date on which interest is to be paid and is (without duplication): (i) with respect to a Commercial Paper Bond, the Purchase Date; (ii) with respect to a Series of Variable Rate Bonds in the Daily Mode, the first Business Day of each month, (iii) with respect to a Series of Variable Rate Bonds in the Weekly Mode, the first Business Day of each month; (iv) with respect to a Series of Variable Rate Bonds in the Term Rate Mode, each Term Rate Interest Payment date for such Variable Rate Bond; (v) with respect to a Series of Variable Rate Bonds in the Fixed Rate Mode, each Stated Interest Payment Date (beginning with the first Stated Interest Payment Date that occurs no earlier than three (3) months after the commencement of the Fixed Rate Mode for such Variable Rate Bond or such other date as may be provided in a Series Sale Resolution); (vi) with respect to Credit Provider Bonds and Liquidity Provider Bonds, the dates required under the applicable Credit Facility Agreement or Liquidity Facility; and (without duplication as to any Interest Payment Date listed above), (vii) with respect to a Series of Variable Rate Bonds bearing interest at Auction Rates, means the initial Interest Payment Date specified in a Series Sale Resolution relating to such Series of Auction Bonds, and thereafter (a) when used with respect to any Auction Period other than a daily Auction Period or a Special Rate Period, the Business Day immediately following such Auction Period, (b) when used with respect to a daily Auction Period, the first Business

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Day of the month immediately succeeding such Auction Period, (c) when used with respect to a Special Rate Period of (I) seven (7) or more but fewer than ninety-two (92) days, the Business Day immediately following such Special Rate Period, or (II) ninety-two (92) or more days, each thirteenth (13th) Monday, Tuesday, Wednesday, Thursday or Friday as selected by the Commission after the first day of such Special Rate Period, or the next Business Day if such day is not a Business Day, and on the Business Day immediately following such Special Rate Period; (viii) any Mode Change Date, (ix) each Mandatory Purchase Date; and (x) each Maturity Date.

"Rate Determination Date" means the date on which the interest rate or rates, as applicable, on a Series of Variable Rate Bonds shall be determined, which, (i) in the case of the Commercial Paper Mode, shall be the first day of an Interest Period; (ii) in the case of the Daily Mode, shall be each Business Day commencing with the first day such Variable Rate Bonds become subject to the Daily Mode; (iii) in the case of the initial change to the Weekly Mode, shall be no later than the Business Day prior to the Mode Change Date, and thereafter, shall be each Tuesday, Wednesday or Thursday (as determined by the Commission in a Series Sale Resolution or Supplemental Resolution), or, if any such Tuesday, Wednesday or Thursday is not a Business Day, the next succeeding day or, if such day is not a Business Day, then the Business Day next preceding such Tuesday, Wednesday or Thursday; (iv) in the case of the Term Rate Mode, shall be a Business Day no earlier than thirty (30) Business Days and no later than the Business Day next preceding the first day of an Interest Period, as determined by the Remarketing Agent for such Series of Variable Rate Bonds; and (v) in the case of the Fixed Rate Mode, shall be a date determined by the Remarketing Agent for such Series of Variable Rate Bonds which shall be at least one Business Day prior to the Mode Change Date.

SECTION 32-77.03. Amendment to Section 30-65.06. Subsection (b) of Section 30-65.06 of the Eleventh Supplemental Resolution is hereby amended to read as follows:

(b) During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 4:00 p.m., New York City time, on each Rate Determination Date. The Weekly Rate shall be in effect (i) initially, from and including the first day the Variable Rate Bonds become subject to the Weekly Mode to and including the following Rate Determination Date, and (ii) thereafter, from and including the day following each Rate Determination Date to and including the following Rate Determination Date. The Remarketing Agent shall make the Weekly Rate available (i) after 4:00 p.m., New York City time, on the Rate Determination Date by telephone to any Owner or Notice Party requesting such rate, and (ii) by Electronic Means to the Paying Agent not later than 1:00 p.m., New York City time, on the second Business Day immediately succeeding the Rate Determination Date. The Paying Agent shall give notice of such interest rates to the

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Trustee by Electronic Means not later than 4:00 p.m., New York City time, on the second Business Day immediately succeeding the Rate Determination Date.

SECTION 32-77.04. Amendment to Section 30-65.16. Subsection (b)(ii) of Section 30-65.16 of the Eleventh Supplemental Resolution is hereby amended to read as follows:

(ii) Optional Redemption of Variable Rate Bonds in the Daily Mode or the Weekly Mode. Variable Rate Bonds in the Daily Mode or the Weekly Mode are subject to optional redemption by the Commission, in whole or in part, in Authorized Denominations on any Business Day, at a Redemption Price equal to the principal amount thereof, plus accrued and unpaid interest, if any.

SECTION 32-77.05. Amendment to Section 30-65.17. Subsection (h)(ii)(B) of Section 30-65.17 of the Eleventh Supplemental Resolution is hereby amended to read as follows:

(B) all Variable Rate Bonds required to be purchased pursuant to Sections 30-65.17(b) and 30-65.17(c); and

SECTION 32-77.06. Amendment to Section 30-64.01. Subsection (g) of Section 30-64.01 of the Eleventh Supplemental Resolution is hereby amended to read as follows:

(g) Anything in this Eleventh Supplemental Resolution to the contrary notwithstanding, the day or time of day specified herein for the taking or foregoing of any action provided for herein with respect to a Series of Variable Rate Bonds may be changed by a Series Sale Resolution or Supplemental Resolution with the prior written consent of the Trustee, the Auction Agent, if any, the Broker-Dealers, if any, the Market Agent, if any, the Remarketing Agent, if any, the Credit Provider, if any, the Liquidity Provider, if any, and the Paying Agent, whose rights or obligations are affected thereby, in each case with respect to such Series of Variable Rate Bonds.

SECTION 32-77.07. Amendment to Section 2.15. Section 2.15 of the 1991 Resolution is hereby amended to read as follows:

Section 2.15. Repayment Obligations as Bonds. If so provided in the applicable Supplemental Resolution and in the written agreement between the Commission and the Credit Provider, a Repayment Obligation may be accorded the status of a Bond solely for purposes of this 1991 Resolution, provided, however, that the Credit Facility with respect thereto shall not constitute a bond for any other purpose, including without limitation for purposes of the Charter. The Credit Provider shall be deemed to be the Holder of such Bond, and such Bond shall be deemed to have been issued as of the original date of the Bond or Bonds for which such Credit Facility was provided. Notwithstanding the stated terms of the Repayment Obligation, the Bond deemed to be held by the Credit Provider

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shall be deemed to be amortized on a level debt service basis at the Index Rate over a period equal to the lesser of (a) 20 years, or (b) the period ending on the later of (i) the final maturity date of the Bonds payable from or secured by such Credit Facility, or (ii) the date the Repayment Obligation is due under the terms of the written agreement with respect thereto, with principal payable annually commencing on the next Principal Payment Date with respect to such Bonds and interest payable semiannually commencing on the next Interest Payment Date with respect to such Bonds. Such Bond shall be deemed to bear interest at the rate provided in the written agreement with respect to the Repayment Obligation. Any amount which becomes due and payable on the Repayment Obligation under the written agreement with respect thereto and which is in excess of the amount deemed to be principal of and interest on a Bond shall be junior and subordinate to the Bonds. The rights of a Credit Provider under this Section 2.15 shall be in addition to any rights of subrogation which the Credit Provider may otherwise have or be granted under law or pursuant to any Supplemental Resolution. Notwithstanding anything herein to the contrary, a Bond and an unreimbursed Repayment Obligation arising with respect to such Bond shall not be deemed to be Outstanding at the same time.

Section 15. Requests for Board Approval. The Commission hereby authorizes and directs the Airport Director to request that the Board approve (a) the amendments to the 1991 Resolution set forth in Section 13 hereof including an additional \$2,500,000,000 principal amount of Refunding Bonds authorized by the Commission under this Resolution and the Tenth Supplemental Resolution, (b) that the maximum number of issues of Refunding Bonds shall be twenty (20), and (c) the form of Reimbursement Agreement relating to Assured Guaranty.

Section 16. Amendment Relating to Issuance of Issue 32F Bonds. The 1991 Resolution is hereby supplemented by adding the following Article thereto, which is hereby incorporated therein, with the appropriate alpha-numeric issue, section and article references:

ARTICLE 32-LXXXVIII
ADDITIONAL TERMS OF ISSUE 32F BONDS

SECTION 1. Additional Terms of Issue 32F Bonds. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the 1991 Resolution.

The Issue 32F Bonds shall be dated as of the dates, shall be in the principal amounts and shall consist of such aggregate principal amount of Issue 32F Bonds as is determined by the Airport Director in accordance with the 1991 Resolution and the Issue 32F Bond Sale Resolution. The Issue 32F

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Bonds shall mature in the amounts and at the times, and shall be subject to mandatory sinking fund payments in the amounts and at the times, if any, and shall be subject to redemption on such terms, as are determined by the Airport Director or by the Commission in accordance with the 1991 Resolution and the Issue 32F Bond Sale Resolution. The Issue 32F Bonds shall bear interest at such rates as may be determined by the Commission or by the Airport Director in accordance with the Issue 32F Bond Sale Resolution.

The determinations of the Airport Director or the Commission pursuant to this Section 1 shall be set forth in a Certificate of Additional Terms ("Certificate of Additional Terms") to be executed and delivered by the President and the Secretary or by the Airport Director upon the issuance of the Issue 32F Bonds, which Certificate of Additional Terms when executed and delivered by the President and the Secretary or by the Airport Director, together with this Resolution, shall be deemed to be the Series Sale Resolution for the Issue 32F Bonds, and shall constitute a part of the 1991 Resolution.

SECTION 2. Continuing Disclosure. The Commission covenants to comply with and carry out all of the provisions of the continuing disclosure certificate executed and delivered in connection with the issuance of the Issue 32F Bonds, as it may be amended from time to time in accordance with its terms (the "Issue 32F Bond Continuing Disclosure Certificate"). Notwithstanding any other provision of the 1991 Resolution, failure of the Commission to comply with the Issue 32F Bond Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and at the written request of the Holders of at least 25% of the aggregate principal amount of the Issue 32F Bonds Outstanding, and if such Holders shall have furnished to the Trustee indemnity satisfactory to it, shall) or any Holder or beneficial owner of Issue 32F Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Commission to comply with its obligations under this Section 2.

SECTION 3. Terms of Issue 32F Bonds Subject to the 1991 Resolution. Except as in the Issue 32F Bond Sale Resolution expressly provided, every term and condition contained in the 1991 Resolution shall apply to the Issue 32F Bond Sale Resolution and to the Issue 32F Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Issue 32F Bond Sale Resolution.

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CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 05-0181

SECTION 4. Credit Provider to Control Remedies. As provided in Section 7.13 of the 1991 Resolution, while a Credit Facility with respect to the Issue 32F Bonds is in effect, notwithstanding anything else in the 1991 Resolution to the contrary, so long as the Credit Provider is not Insolvent and is not in default under its Credit Facility, no right, power or remedy under the 1991 Resolution with respect to such Issue 32F Bonds may be pursued without the prior written consent of such Credit Provider. The Credit Provider shall have the right to direct the Trustee to pursue any right, power or remedy available under the 1991 Resolution with respect to any assets available under the 1991 Resolution which secure no Bonds other than the Issue 32F Bonds secured by such Credit Facility.

SECTION 5. Ratification of the 1991 Resolution. All the terms and provisions contained in the Certificate of Additional Terms and in this Article shall form part of the 1991 Resolution as fully and with the same effect as if all such terms and provisions had been set forth in the 1991 Resolution. The 1991 Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented, including as amended and supplemented by the Issue 32F Bond Sale Resolution.

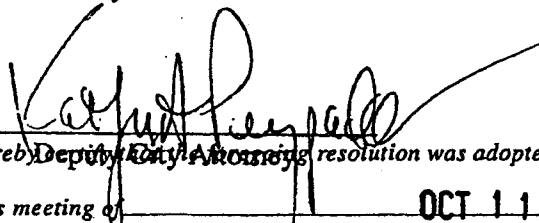
ADOPTED by the Airport Commission of the City and County of San Francisco this 11th day of October, 2005, by the following vote:

Ayes: 4
Noes: 0
Absent: 1

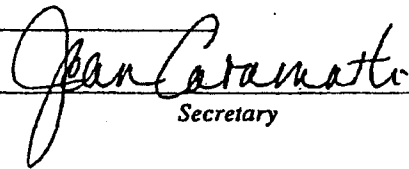
[SEAL]

Approved as to Form:

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

By 
I hereby certify that the above resolution was adopted by the Airport Commission
at its meeting of OCT 11 2005

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Secretary