

1 [Issue 32 and 33 Refunding Bond Sale Resolutions, Swap Resolution and Twelfth
2 Supplemental Resolution]

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4 **Resolution approving the issuance of up to \$875,000,000 additional aggregate principal**
5 **amount of San Francisco International Airport second series revenue refunding bonds**
6 **for the purpose of refinancing bonds and subordinate bonds of the Airport**
7 **Commission; Approving the sale of San Francisco International Airport second series**
8 **revenue refunding bonds through December 31, 2007; Approving the maximum interest**
9 **rate, notional amount and term of interest rate swap transactions; Approving the forms**
10 **of certain documents relating to interest rate swap transactions and authorizing the**
11 **execution and delivery thereof; Approving and authorizing the use of Airport**
12 **Commercial paper to pay swap termination payments and costs of issuance;**
13 **Approving the forms of certain documents relating to San Francisco International**
14 **Airport second series variable rate revenue bonds and authorizing the execution and**
15 **delivery thereof; Approving certain amendments to the 1991 Master Resolution; and**
16 **related matters.**

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21 WHEREAS, The Airport Commission, by its Resolution No. 91-0210, adopted on
22 December 3, 1991 (as supplemented and amended, the "1991 Master Resolution"), has
23 authorized the issuance of San Francisco International Airport Second Series Revenue Bonds
24 (the "Bonds") for any lawful purpose of the Airport Commission; and,
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1 WHEREAS, The Airport Commission, by its Resolution No. 97-0146, adopted on May
2 20, 1997 (as supplemented and amended, the "1997 Master Subordinate Resolution"), has
3 authorized the issuance of San Francisco International Airport Second Series Subordinate
4 Revenue Bonds, including the San Francisco International Airport Subordinate Commercial
5 Paper Notes (collectively, the "Subordinate Bonds"), for any lawful purpose of the Airport
6 Commission; and,
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8 WHEREAS, The Airport Commission, by its Resolution No. 02-0010, adopted on
9 January 8, 2002 (the "Tenth Supplemental Resolution"), authorized the issuance from time to
10 time of an additional \$2,000,000,000 aggregate principal amount of San Francisco
11 International Airport Second Series Revenue Refunding Bonds (the "Refunding Bonds") for
12 the purpose of refunding outstanding Bonds and Subordinate Bonds; and,
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14 WHEREAS, Of the \$2,000,000,000 aggregate principal amount of Refunding Bonds
15 authorized by the Tenth Supplemental Resolution, this Board of Supervisors (the "Board") by
16 its Resolutions Nos. 811-00, 113-02 and 800-03 (the "Prior Board Resolutions"), approved the
17 issuance of \$625,000,000 aggregate principal amount of Refunding Bonds and certain other
18 matters with respect to the Bonds; and,
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20 WHEREAS, An increase in the Airport's refunding authorization is necessary and
21 desirable in order for the Airport Commission to refund additional outstanding Bonds and
22 Subordinate Bonds in order to realize significant debt service savings and reductions of up to
23 \$114 million or more; and,
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1 WHEREAS, The Airport Commission now seeks the approval of this Board of an
2 additional \$875,000,000 principal amount of the Refunding Bonds and to extend the final date
3 upon which a Bond Purchase Contract may be entered into or bids for the purchase of a
4 Series of Refunding Bonds may be received, to December 31, 2007; and,

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6 WHEREAS, The Airport Commission, by its Resolutions No. 03-0220 and No. 04-0220,
7 adopted on October 21, 2003 and November 2, 2004, respectively (the "Eleventh and Twelfth
8 Supplemental Resolutions," respectively), amended and supplemented the 1991 Master
9 Resolution to provide for the issuance of Bonds that bear interest at variable rates (the
10 "Variable Rate Bonds"), and in connection therewith, approved the forms of related Variable
11 Rate Bond documents including forms of Standby Bond Purchase Agreement, Remarketing
12 Agreement, Auction Agreement, Broker-Dealer Agreement, Market Agent Agreement,
13 Reserve Fund Forward Purchase and Sale Agreement and Debt Service Fund Forward
14 Purchase and Sale Agreement (collectively, the "Variable Rate Bond Documents"); and,

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17 WHEREAS, The Airport Commission, by its Resolution No. 04-0219, adopted on
18 November 2, 2004 (the "Swap Resolution") authorized and approved certain interest rate
19 swap transactions in connection with the issuance of Refunding Bonds (the "Swap
20 Transactions") and certain parameters therefore, and approved the forms of documents
21 relating thereto, including a form of ISDA Master Agreement with accompanying attachments
22 (including a U.S. Municipal Counterparty Schedule and Credit Support Annex) and a form of
23 Transaction Confirmation (collectively, the "Swap Documents"); and,
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1 WHEREAS, In the Swap Resolution and in accordance with Section 5922 of the
2 California Government Code, the Airport Commission found and determined that entering into
3 the Swap Transactions will result in a lower overall cost of borrowing when used in connection
4 with the issuance of the Refunding Bonds; and,

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6 WHEREAS, On December 2, 2002, following a Request for Qualifications authorized
7 by the Airport Commission and the review of responses thereto, the Airport Commission
8 established a pool of qualified swap counterparties (the "Swap Pool") and authorized the
9 Airport Director in the Swap Resolution to select one or more financial institutions from its
10 Swap Pool as counterparties to the proposed Swap Transactions; and,

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12 WHEREAS, The Airport Commission has determined that it may be necessary or
13 desirable to use Airport Subordinate Commercial Paper Note proceeds to make termination
14 payments relating to the Swap Transactions and to pay the transaction costs of the Swap
15 Transactions and the costs of issuance of the Issue 32/33 Bonds or other Refunding Bonds
16 issued in connection with such Swap Transactions; and,

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18 WHEREAS, Section 4.115 of the Charter provides that the Airport Commission has the
19 exclusive authority to plan and issue airport revenue bonds for airport-related purposes,
20 subject to the approval, amendment, or rejection of the Board of Supervisors of each issue;
21 and,

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23 WHEREAS, Section 2.62 of the Administrative Code of the City and County of San
24 Francisco provides that such revenue bonds shall bear a rate of interest not to exceed that
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1 which may be fixed and prescribed by the Airport Commission, subject to the approval or
2 rejection of this Board of Supervisors; and,

3 WHEREAS, The Twelfth Supplemental Resolution, the Swap Resolution and the forms
4 of Variable Rate Bond Documents and Swap Documents have been submitted to this Board
5 of Supervisors and are on file with the Clerk of the Board of Supervisors in File No. 041516
6 which is hereby declared to be a part of this resolution as if set forth fully herein; now,
7 therefore, be it
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10 RESOLVED, That the Board of Supervisors hereby declares that each of the foregoing
11 recitals is true and correct and is a representation of the Board of Supervisors; and, be it

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13 FURTHER RESOLVED, That the issuance by the Airport Commission of the Refunding
14 Bonds for the purposes of refinancing Bonds and Subordinate Bonds, as well as funding debt
15 service reserve funds and paying costs of issuance, including redemption premiums, and
16 other incidental costs, is hereby approved in accordance with Section 4.115 of the Charter.
17 The additional authorized aggregate principal amount of Refunding Bonds shall be
18 \$875,000,000 and each reference in Resolution Nos. 583-98, 224-99, 113-02 and 800-03 of
19 the Board of Supervisors, as amended, to "\$2,025,000,000" of Refunding Bonds is hereby
20 increased by \$875,000,000 to read "\$2,900,000,000"; and, be it
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22 FURTHER RESOLVED, That the time for sale of Refunding Bonds shall end on
23 December 31, 2007, and each reference in Resolution Nos. 583-98, 224-99 and 113-02 of the
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1 Board of Supervisors, as amended, to "March 31, 2006" as the final date upon which
2 Refunding Bonds may be sold, are hereby amended to read "December 31, 2007"; and, be it

3 FURTHER RESOLVED, That the Twelfth Supplemental Resolution and the
4 amendments to the 1991 Master Resolution contained therein as adopted by the Airport
5 Commission, are hereby approved; and, be it
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7 FURTHER RESOLVED, That Variable Rate Bonds shall be issued pursuant to the
8 1991 Master Resolution and the Twelfth Supplemental Resolution and such additional
9 Supplemental Resolutions of the Airport Commission as the Airport Commission shall deem
10 necessary or desirable; and, be it
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12 FURTHER RESOLVED, That the following maximum interest rates are hereby
13 approved for the Variable Rate Bonds: (a) nine percent (9%) for tax-exempt Bonds that bear
14 interest at a rate that is fixed to maturity, (b) twelve percent (12%) for taxable Bonds that bear
15 interest at a rate that is fixed to maturity, and (c) sixteen percent (16%) for Bonds that bear
16 interest at a rate that is adjusted periodically; provided, however, that the maximum interest
17 rate applicable to Credit Provider Bonds and Liquidity Provider Bonds shall be as set forth in
18 the Twelfth Supplemental Resolution; and, be it
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21 FURTHER RESOLVED, That the Swap Resolution and the Swap Transactions as
22 described in the Swap Resolution are hereby approved with the following parameters: (a) the
23 aggregate notional amount of all Swap Transactions entered into pursuant to the Swap
24 Resolution shall not exceed \$425 million; (b) the maximum fixed rate to be paid by the
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1 Commission under each Swap Transaction entered into pursuant to the Swap Resolution
2 shall not exceed five percent (5.00%) per annum; and (c) the term of any Swap Transaction
3 entered into pursuant to the Swap Resolution shall not extend beyond May 1, 2035; and, be it
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5 FURTHER RESOLVED, That, to the extent necessary or desirable, the use of Airport
6 Subordinate Commercial Paper Note proceeds to make any termination payments relating to
7 the Swap Transactions and to pay the transaction costs of the Swap Transactions and the
8 costs of issuance of the Issue 32/33 Bonds or other Refunding Bonds issued in connection
9 with such Swap Transactions, is hereby approved and authorized; and, be it
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11 FURTHER RESOLVED, That the forms of Variable Rate Bond Documents and Swap
12 Documents and the execution thereof by the Commission are hereby authorized and
13 approved, with such changes as the Airport Director shall deem necessary or advisable in
14 consultation with the City Attorney, and with terms up to the final maturity of the Bonds to
15 which each such document relates; and, be it
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17 FURTHER RESOLVED, That, subject to the parameters set forth herein, the Airport
18 Director is authorized to enter into one or more Swap Transactions with qualified swap
19 counterparties from time to time in its Swap Pool and rated at least "A" and "A2" by Standard
20 & Poor's Corporation and Moody's Investors Service, respectively, and to execute and deliver
21 the necessary Swap Documents; and, be it
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23 FURTHER RESOLVED, That the provisions of the Prior Board Resolutions, except as
24 subsequently modified, are hereby ratified, approved and confirmed; and, be it
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1 FURTHER RESOLVED, That the approvals contained in this Resolution shall extend to
2 any amendments to the 1991 Master Resolution, the 1997 Master Subordinate Resolution,
3 the Twelfth Supplemental Resolution, the Swap Resolution and all resolutions of the Airport
4 Commission supplemental thereto, as well as to such additional resolutions that the Airport
5 Commission may adopt for the purpose of implementing the issuance, sale and delivery of the
6 Bonds, the execution of the Swap Transactions, and the execution and delivery of the
7 Variable Rate Bond Documents and the Swap Documents.
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11 APPROVED AS TO FORM:

12 DENNIS J. HERRERA
13 City Attorney

14 By See original for signature
15 Deputy City Attorney
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 041516

Date Passed:

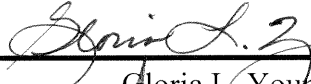
Resolution approving the issuance of up to \$875,000,000 additional aggregate principal amount of San Francisco International Airport second series revenue refunding bonds for the purpose of refinancing bonds and subordinate bonds of the Airport Commission; approving the sale of San Francisco International Airport second series revenue refunding bonds through December 31, 2007; approving the maximum interest rate, notional amount and term of interest rate swap transactions; approving the forms of certain documents relating to interest rate swap transactions and authorizing the execution and delivery thereof; approving and authorizing the use of Airport Commercial paper to pay swap termination payments and costs of issuance; approving the forms of certain documents relating to San Francisco International Airport second series variable rate revenue bonds and authorizing the execution and delivery thereof; approving certain amendments to the 1991 Master Resolution; and related matters.

December 7, 2004 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval

File No. 041516

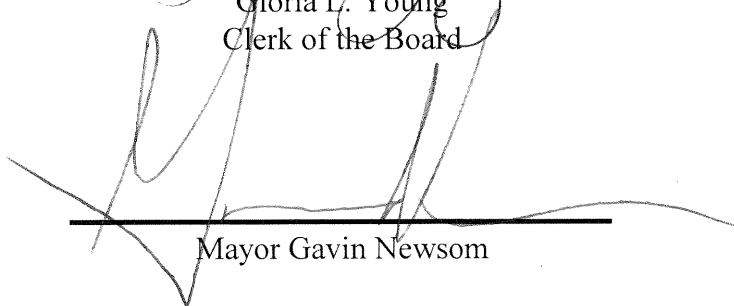
I hereby certify that the foregoing Resolution was ADOPTED on December 7, 2004 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

12. 8. 04

Date Approved



Mayor Gavin Newsom