

1 [Airport Revenue Bonds]

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3 **Resolution approving a form of letter of credit and reimbursement agreement relating**
4 **to the Airport subordinate commercial paper notes and related matters.**

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6 WHEREAS, The Airport Commission (the "Commission") duly adopted its Resolution
7 No. 97-0146 (the "Master Subordinate Resolution") on May 20, 1997, providing for the
8 issuance of San Francisco International Airport Subordinate Revenue Bonds, which includes
9 commercial paper notes; and

10 WHEREAS, The Commission duly adopted its Resolution No. 97-0147 on May 20,
11 1997, and its Resolution No. 99-0299 on September 21, 1999, amending and restating
12 Resolution No. 97-0147, supplementing the Master Subordinate Resolution, for the purpose of
13 setting forth the terms and conditions under which the Commission may issue (a) up to
14 \$400,000,000 aggregate principal amount outstanding at any one time of its San Francisco
15 International Airport Subordinate Commercial Paper Notes (the "Commercial Paper Notes")
16 for the purpose of financing and refinancing the acquisition, construction and development of
17 approved Airport capital improvements, as well as paying costs of issuance and other
18 incidental costs, and (b) up to \$435,506,850 aggregate principal amount outstanding at any
19 one time of its San Francisco International Airport Subordinate Revenue Notes (the "Bank
20 Notes") to evidence any unreimbursed drawings on the letter of credit supporting the payment
21 when due of the principal of and interest on the Commercial Paper Notes; and

22 WHEREAS, This Board of Supervisors adopted Resolution No. 620-97 on June 23,
23 1997, approving the Airport's Commercial Paper Note program, and Resolution No. 224-99 on
24 March 15, 1999, approving the substitution of the letter of credit relating to the program; and

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1 WHEREAS, On May 9, 2002, the Airport Commission obtained an irrevocable direct-
2 pay letter of credit (the "Existing Letter of Credit") from WestLB AG, acting through its New
3 York Branch, Landesbank Baden-Württemberg, acting through its New York Branch, and
4 JPMorgan Chase Bank, N.A. (the "Existing Banks"), to support the payment when due of the
5 principal of and interest on the Commercial Paper Notes, which Existing Letter of Credit and
6 related reimbursement agreement were approved by this Board of Supervisors by Resolution
7 No. 113-02 adopted on February 19, 2002, and the Existing Letter of Credit is subject to
8 termination on May 9, 2006, at the option of the Existing Banks; and,

9 WHEREAS, This Board of Supervisors approved in Resolution No. 733-04, adopted on
10 December 9, 2004, the use of the Commercial Paper Notes to make termination payments
11 relating to Swap Transactions (as such term is defined in Commission Resolution 04-0219,
12 adopted on November 2, 2004), and to pay the transaction costs of such Swap Transactions
13 and the costs of issuance of the bonds issued in connection with such Swap Transactions,
14 and this Board desires now to approve the use of Commercial Paper Notes, subject to prior
15 appropriation and to the extent necessary or desirable in the discretion of the Airport Director,
16 to pay extraordinary expenditures for which funds of the Commission are not otherwise
17 immediately available; and

18 WHEREAS, The Airport Commission has requested and received competitive bids
19 from banking institutions to provide a substitute irrevocable direct-pay letter of credit (the
20 "Substitute Letter of Credit") with respect to the Commercial Paper Notes which would replace
21 the Existing Letter of Credit; and,

22 WHEREAS, The Airport Commission has determined that the bid from State Street
23 Bank and Trust Company, a banking corporation organized under the laws of the
24 Commonwealth of Massachusetts ("State Street") is the lowest and best bid to issue the
25 Substitute Letter of Credit to be effective on or about January 30, 2006; and,

1 WHEREAS, In connection with the Substitute Letter of Credit, the Airport Commission
2 will enter into a Letter of Credit and Reimbursement Agreement (the “Reimbursement
3 Agreement”) with State Street, wherein the Airport Commission will agree, among other
4 things, to reimburse State Street for any drawings upon the Substitute Letter of Credit and to
5 pay certain fees in connection therewith; and,

6 WHEREAS, The Airport Commission, by its Resolution No. 05-0173, adopted on
7 September 20, 2005, approved the form of the Reimbursement Agreement; and,

8 WHEREAS, Resolution No. 05-0173 of the Airport Commission and the form of the
9 Reimbursement Agreement have been submitted to this Board of Supervisors and are on file
10 with the Clerk of the Board of Supervisors in File No. _____, which is hereby
11 declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

12 RESOLVED, That the Board of Supervisors hereby declares that each of the foregoing
13 recitals is true and correct and is a representation of the Board of Supervisors; and, be it

14 FURTHER RESOLVED, That the form of Reimbursement Agreement, as on file with
15 the Clerk of the Board, is hereby approved, with such changes and modifications as the
16 Airport Director and the City Attorney or their authorized designees shall approve; and, be it

17 FURTHER RESOLVED, That, subject to prior appropriation and to the extent
18 necessary or desirable in the discretion of the Airport Director, the use of proceeds from
19 Commercial Paper Notes to pay extraordinary expenditures for which funds of the Airport
20 Commission are not immediately available, is hereby approved and authorized; and, be it

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1 FURTHER RESOLVED, That this Resolution does not provide the Airport Commission
2 with any new or additional appropriation authority for any new or continuing projects.

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4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA

6 City Attorney

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8 By _____

9 Deputy City Attorney

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