

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0137

RESOLUTION PROVIDING FOR THE SALE OF NOT TO EXCEED \$718,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES VARIABLE RATE REVENUE BONDS FOR CAPITAL PLAN PURPOSES, PROVIDING FOR THE DELEGATION TO THE AIRPORT DIRECTOR OF THE NEGOTIATED SALE OF SUCH BONDS, AND APPROVING CERTAIN DOCUMENTS AND AGREEMENTS AND OTHER ACTIONS IN CONNECTION THEREWITH

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 amended and supplemented, including as amended and supplemented by Resolution No. 97-0104, duly adopted by the Commission on April 15, 1997 (the "Sixth Supplemental Resolution"), by Resolution No. 03-0220, adopted by the Commission on October 21, 2003 (the "Eleventh Supplemental Resolution"), and by Resolution No. 08-0035, duly adopted by the Commission on February 19, 2008 (the "Thirteenth Supplemental Resolution"), and as supplemented by this resolution (this "Resolution"), is herein called the "1991 Resolution"); and

WHEREAS, the Commission, by the 1991 Resolution, has authorized the issuance of San Francisco International Airport Second Series Revenue Bonds (the "1991 Resolution Bonds") for any lawful purpose of the Commission; and

WHEREAS, the Commission, by its Thirteenth Supplemental Resolution, as supplemented and amended, has authorized the issuance of one or more additional Series of Bonds (collectively, the "Capital Plan Bonds") in an aggregate principal amount not to exceed \$718,000,000 for the purpose of financing and refinancing the construction, acquisition, equipping, and development of certain capital projects undertaken by the Airport (the "Capital Plan Projects"), including, without limitation, through the refunding of outstanding commercial paper notes ("Commercial Paper") issued under the Commission's Resolutions Nos. 97-0147, 97-0148, and 99-0299, as amended and supplemented, 1991 Resolution to finance and refinance Capital Plan Projects; and

WHEREAS, the Board of Supervisors of the City and County of San Francisco (the "Board") by its Resolution No. 229-08 approved the issuance of an aggregate principal amount of not to exceed \$718,000,000 of Capital Plan Bonds; and

WHEREAS, the Commission has not issued any Capital Plan Bonds to date and desires now to authorize the issuance and sale of one or more series of Capital Plan Bonds in accordance with the Sixth and Thirteenth Supplemental Resolutions; and

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WHEREAS, the Commission, by the Eleventh Supplemental Resolution, amended the 1991 Resolution to provide for the issuance of variable rate tender option bonds; and

WHEREAS, pursuant to Section 5-24.07(b) of the 1991 Resolution, the Airport Director shall determine whether it is desirable that the Capital Plan Bonds be secured by a separate reserve account within the 1991 Resolution Bond Reserve Fund or be a Participating Series with respect to the Issue 1 Reserve Account or other reserve account; and

WHEREAS, pursuant to Resolution No. 09-0089, duly adopted by the Commission on May 5, 2009, the Commission has previously authorized and approved the selection of certain providers of Credit Facilities and Liquidity Facilities, and the execution and delivery of Credit Facilities and Liquidity Facilities, with respect to Capital Plan Bonds, including approval of the form of a Standby Bond Purchase Agreement and a Letter of Credit and Reimbursement Agreement, which Resolution has been submitted to the Board for approval; and

WHEREAS, the Commission has determined that it may be desirable to enter into one or more remarketing agreements, as described herein, in connection with the issuance of any Capital Plan Bonds issued as variable rate bonds; and

WHEREAS, in order to accomplish the timely sale of the Capital Plan Bonds and to achieve the lowest possible interest, issuance, and other costs to the Commission with respect to the Capital Plan 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 Capital Plan Bonds to the purchasers thereof in accordance with the provisions of this resolution; and

WHEREAS, the Commission desires to authorize the Airport Director to select and appoint underwriters and/or remarketing agents for the Capital Plan Bonds from the Airport's pool of prequalified investment banks; and

WHEREAS, there have been prepared and filed with the Secretary of the Commission the form of a Bond Purchase Agreement, Remarketing Agreement, Escrow Agreement and Forward Purchase and Sale Agreement (each as hereinafter defined) for the Commission's approval; and

WHEREAS, pursuant to Section 9.01(f) of the 1991 Resolution, the Commission by Supplemental Resolution 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 1991 Resolution Bonds under the 1991 Resolution;

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

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Section 1. Commission Findings. (a) The Commission hereby finds and determines that the above recitals are true and correct.

(b) The Commission hereby finds and determines that sufficient unencumbered balances are expected to be available in the proper funds and accounts of the Airport to meet all payments under the Capital Plan Bonds as they become due.

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

(d) All capitalized terms used but not defined herein shall have the meanings assigned to them in the 1991 Resolution.

Section 2. Terms of the Capital Plan 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, interest payment dates, dated dates and maturity dates (including serial maturities and/or term maturities) of the Capital Plan Bonds, the amounts and dates of any mandatory sinking fund payments, the interest rate mode (including, without limitation, a Daily Mode or Weekly Mode, all as defined in the 1991 Resolution), the initial interest period, the amounts to be deposited in the Capital Plan Bond-related accounts, the maximum interest rate, and the interest rates (whether fixed or variable rates) to be borne by the Capital Plan Bonds; *provided, however,* that the aggregate principal amount of Capital Plan Bonds shall not exceed \$718,000,000, no Series of Capital Plan Bond shall bear interest at a rate in excess of sixteen percent (16%) per annum if issued as variable rate bonds (other than bonds held by the bank that is a Credit or Liquidity Provider) or eight percent (8%) per annum if issued as fixed rate bonds, the final maturities of the Capital Plan Bonds shall be no later than May 1, 2045, and the maturity schedule shall not result in an increase in aggregate debt service of more than the greater of 25% or \$25,000,000 in any fiscal year.

Section 3. Negotiated Sale of Capital Plan Bonds, Bond Purchase Agreements. The Airport Director is hereby authorized to select and appoint underwriters and/or remarketing agents for the Capital Plan Bonds (the "Underwriters") from the Airport's pool of pre-qualified investment banks. The Airport Director is hereby authorized and directed, for and on behalf of and in the name of the Commission, to sell at negotiated sale on or before June 30, 2012, the Capital Plan Bonds in such aggregate principal amount as he may determine, *provided,* that the aggregate principal amount of Capital Plan Bonds issued shall not

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exceed \$718,000,000. The Capital Plan Bonds may be issued in one or more Issues and/or subseries, as the Airport Director deems appropriate in consultation with the Airport's Underwriters, financial advisors and co-bond counsel, and shall be sold to the Underwriters pursuant to one or more bond purchase agreements (each a "Bond Purchase Agreement"). The Airport Director or his designee is hereby authorized to enter into one or more Bond Purchase Agreements with the Underwriters, individually or collectively as the Airport Director deems appropriate, substantially in the form presented to this meeting and on file with the Secretary, 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 execution and delivery to the Underwriters of each such Bond Purchase Agreement, as so added to or changed; *provided, however*, that the total compensation to the Underwriters shall not exceed 1% of the par value of the Capital Plan Bonds. The Capital Plan Bonds shall be delivered to the Underwriters upon payment of the purchase price, namely, said 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 initial rates set forth in said Bond Purchase Agreement. The Capital Plan Bonds shall bear interest at said rates, payable on the dates determined as provided in the 1991 Resolution and shall be distinguished by such alpha-numeric or other designations as the Airport Director may determine consistent with the 1991 Resolution.

Section 4. Authentication and Delivery of Capital Plan Bonds. The Capital Plan Bonds, when prepared, shall be delivered to The Bank of New York Mellon Trust Company, N.A., or its successor, as trustee (the "Trustee") under the 1991 Resolution for authentication by the Trustee, as Authenticating Agent. The Trustee is hereby authorized and directed to authenticate the Capital Plan Bonds by executing the certificates of authentication appearing thereon, and to deliver the Capital Plan Bonds when duly authenticated to DTC for the respective accounts of the Underwriters in accordance with written instructions executed on behalf of the Commission by the President and the Secretary or by the Airport Director, which instructions the President and the Secretary or Airport Director are hereby authorized and directed to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Capital Plan Bonds upon payment of the purchase price therefor.

Section 5. Official Statement, Continuing Disclosure. The Airport Director is hereby directed to cause the preparation of one or more preliminary, final and, if necessary, supplemental Official Statements with respect to the sale of the Capital Plan Bonds. The Underwriters are hereby authorized to distribute one or more preliminary Official Statements 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 Statements as so added to or changed. The Airport Director

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is hereby further authorized to deliver one or more final Official Statements, in substantially the form of said preliminary Official Statements, 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 Statements as so added to or changed. The Airport Director is hereby further authorized to deliver a supplemented Official Statement, if necessary, in substantially the form of said final Official Statements, 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 supplemented Official Statement as so added to or changed. The Airport Director is hereby authorized to certify that each 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 (unless an exemption from said Rule applies) and to execute and deliver one or more continuing disclosure certificates for the benefit of the holders and beneficial owners of the Capital Plan Bonds in the form approved by the Airport Director upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof by the Airport Director.

Section 6. 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, which are rated in the two highest rating categories (without regard to subcategories) by at least two Rating Agencies, to secure the payment of the principal of and interest on the Capital Plan Bonds. Such municipal bond insurers shall be selected through a competitive selection process. The Airport Director is hereby further authorized to designate any municipal bond insurance policy as a "Credit Facility" in accordance with the 1991 Resolution.

Section 7. Reserve Account Surety Bonds. 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 reserve fund surety bonds or insurance policies (each a "Reserve Account Surety Bond") to fund up to the amount required to be deposited in the applicable reserve account upon the issuance of the Capital Plan Bonds. The Airport Director is hereby further authorized to execute and deliver a surety or insurance agreement with such reserve fund surety bond or insurance provider, 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 guaranty agreement.

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Section 8. Remarketing Agreement. The Airport Director is authorized to submit the remarketing agreement in the form submitted to this meeting and on file with the Secretary (the "Remarketing Agreement") to the Board for approval, and to execute and deliver one or more Remarketing Agreements, if necessary, with one or more of the Underwriters who are appointed as remarketing agents, substantially in the form submitted to this meeting and on file with the Secretary, each such Remarketing 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 each such Remarketing Agreement.

Section 9. Refunding Escrow. The Airport Director is hereby authorized to execute and deliver one or more escrow agreements (each an "Escrow Agreement") with The Bank of New York Mellon Trust Company, N.A., or its successor, as escrow agent (the "Escrow Agent"), substantially in the form presented to this meeting and on file with the Secretary, to provide for the payment of outstanding Commercial Paper issued for Capital Plan Projects, each such 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 each such Escrow Agreement. The Airport Director is hereby authorized to direct the Escrow Agent, pursuant to each 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. 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 10. Investments; Forward Purchase and Sale Agreements. The Airport Director is hereby authorized to direct the Trustee to invest (i) the amount required to be deposited in any Reserve Account upon the issuance of the Capital Plan Bonds, and (ii) the amounts required to be deposited from time to time in the Debt Service Fund and/or the Construction Fund with respect to the Capital Plan 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. Each party to such Agreements with the Commission shall be a bank or financial institution rated in the three highest rating categories (without regard to subcategories) by at least two Rating Agencies and shall be selected pursuant to a competitive selection process as shall be necessary or desirable to comply with applicable Federal tax law.

Section 11. 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

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interest paid on Commercial Paper from a portion of the proceeds of the Capital Plan Bonds, in an amount to be determined by the Airport Director.

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 Capital Plan Bonds, including the preparation of one or more preliminary Official Statements 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 purposes set forth in this Resolution.

Section 13. Supplement and Amendment Relating to Issuance of Capital Plan Bonds. The 1991 Resolution is hereby supplemented and amended by adding the following Article thereto, which is hereby incorporated therein, with the appropriate alpha-numeric issue, section, and article references:

ARTICLE I

ADDITIONAL TERMS OF CAPITAL PLAN BONDS

SECTION 1. Additional Terms of Capital Plan Bonds. All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the 1991 Resolution and the Thirteenth Supplemental Resolution.

The Capital Plan Bonds shall be dated as of the dates, shall be in the principal amounts, and shall consist of such aggregate principal amount of Capital Plan Bonds as is determined by the Airport Director in accordance with the 1991 Resolution and this Resolution. The Capital Plan 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 this Resolution. The Capital Plan Bonds shall bear interest at such rates as may be determined by the Commission or by the Airport Director in accordance with this Resolution.

The determinations of the Airport Director or the Commission pursuant to this Section 1, including all terms of the Capital Plan Bonds required or permitted by the Thirteenth Supplemental Resolution to be specified in a Series Sale Resolution, shall be set forth in a Certificate of Additional Terms (the "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 Capital Plan 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

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Sale Resolution for the Capital Plan 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 any continuing disclosure certificate executed and delivered in connection with the issuance of the Capital Plan Bonds, as it may be amended from time to time in accordance with its terms (collectively, the "Capital Plan Bond Continuing Disclosure Certificate"). Notwithstanding any other provision of the 1991 Resolution, failure of the Commission to comply with the Capital Plan Bond Continuing Disclosure Certificate shall not be considered an Event of Default; *provided, however*, that the Trustee may (and at the written request of the Holders of at least 25% of the aggregate principal amount of the Capital Plan Bonds Outstanding, and if such Holders shall have furnished to the Trustee indemnity satisfactory to it, shall) or any Holder or beneficial owner of Capital Plan 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 Capital Plan Bonds Subject to the 1991 Resolution. Except as expressly provided in this Resolution, every term and condition contained in the 1991 Resolution shall apply to this Resolution and to the Capital Plan 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 this Resolution.

SECTION 4. 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 this Resolution.

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ADOPTED by the Airport Commission of the City and County of San Francisco this 2nd day of June, 2009, by the following vote:

Ayes: 4

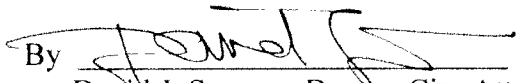
Noes: 0

Absent: 1

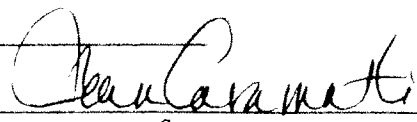
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Approved as to Form:

DENNIS J. HERRERA
City Attorney

By 
David J. Stevens, Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of JUN 02 2009


Secretary