

OFFICIAL NOTICE INVITING BIDS

\$9,000,000*
CITY OF SAN JOSE
GENERAL OBLIGATION BONDS, SERIES 2009
(PUBLIC SAFETY PROJECTS)

NOTICE IS HEREBY GIVEN that electronic bids for the purchase of \$9,000,000* principal amount of City of San José General Obligation Bonds, Series 2009 (Public Safety Projects) (the "Bonds") will be received by the City of San José (the "City") in the manner and, subject to postponement (as described herein under the caption "TERMS OF SALE – Postponement"), at the time and date specified below:

Date and Time: 10:00 a.m. California time on Tuesday, June 16, 2009, and, so long as a proposal has not theretofore been accepted by the City, at any time on any date thereafter without further advertising.

Electronic Bids: Bid proposals shall be submitted electronically through PARITY® ("Parity"), as provided below.

See "TERMS OF SALE – WARNINGS REGARDING ELECTRONIC BIDS" herein.

Sealed bids will not be accepted.

RECEIPT OF BIDS: The bids will be received at the time and on the date shown above and will be presented to a duly authorized officer of the City who will, on behalf of the City, determine and accept the conforming bid with the lowest true interest cost as the best bid for the Bonds, subject to the City's right to reject any and all bids as set forth below.

BOOK-ENTRY ONLY: The Bonds will be issued in book-entry form only, initially registered in the name of CEDE & CO., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in the maturities described below under the caption "MATURITIES." Payments of principal and interest to DTC shall be the responsibility of the Fiscal Agent (as defined below) and disbursement of such payments to the beneficial owners shall be the responsibility of DTC's direct participants or indirect participants. The fees and charges of DTC shall be borne by the prevailing bidder.

*Preliminary, subject to change.

ISSUE: The Bonds are issuable in the aggregate principal amount of \$9,000,000* consisting of fully registered bonds in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing at any one time, all dated as of their date of issuance and delivery (which is expected to be June 25, 2009). The Bonds will be issued pursuant to a Fiscal Agent Agreement (the "Fiscal Agent Agreement") relating to the Bonds, dated as of June 1, 2009, by and between the City and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent"). The Bonds are general obligations of the City payable from ad valorem taxes levied upon all property in the City subject to taxation of the City, as described below under "SECURITY FOR THE BONDS". Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Fiscal Agent Agreement.

MATURITIES: The Bonds will mature or be subject to mandatory sinking fund redemption on September 1 in each of the years 2010 to 2039 inclusive, as set forth below. Each bidder may specify in its bid whether, for any particular year, the Bonds will be term bonds subject to mandatory sinking fund redemption in the applicable principal amount set forth in the bid form. Interest on the Bonds will be payable on each March 1 and September 1, commencing March 1, 2010. Other criteria for setting the maturity amounts of the Bonds are described under the "TERMS OF SALE" below.

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>
2010	\$	2025	\$
2011		2026	
2012		2027	
2013		2028	
2014		2029	
2015		2030	
2016		2031	
2017		2032	
2018		2033	
2019		2034	
2020		2035	
2021		2036	
2022		2037	
2023		2038	
2024		2039	

ADJUSTMENT OF PRINCIPAL AMOUNT OF MATURITIES: The City reserves the right to increase or decrease the principal amount of any maturity of the Bonds as the City deems advisable in order to accomplish its financing objectives. Notice of such increase or decrease shall be given by the City to the successful bidder as soon as practicable following the notification of award. Any such adjustment will change the total (but not the average per Bond) dollar amount of underwriter's discount and original issue discount or premium, if any, provided in such bid. No such adjustment will have the effect of altering the basis upon which the best bid is determined or shall change the aggregate principal amount of the Bonds to be issued by more than 10%. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted, and the successful bid may not be withdrawn, and the successful bidder will not be permitted to change any of the interest rates in its bid.

*Preliminary, subject to change.

PAYMENTS: The scheduled closing date for the Bonds is June 25, 2009. The Bonds will be issued in book-entry-only form registered in the name of Cede & Co. (DTC's partnership nominee). Prior to the date of closing, the Bonds, in the form of a single typewritten certificate for each maturity of Bonds, will be delivered to DTC. Payment for the Bonds must be made by wire transfer to the Fiscal Agent for the benefit of the City in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser. Upon closing, the Fiscal Agent shall notify DTC of receipt of payment by the purchaser, at which time DTC (in accordance with the Letter of Representations defined below) will credit the account of the successful bidder and process the book-entry deliveries to the accounts of the subsequent purchasers of interests in the Bonds. On each March 1 and September 1, commencing March 1, 2010, the Fiscal Agent shall remit to DTC funds to pay all outstanding principal and interest due with respect to the Bonds.

To induce DTC to accept the Bonds as eligible for the book-entry-only form of issuance, the City has heretofore executed a Letter of Representations with DTC setting forth the terms and conditions of, and procedures for, the book-entry-only form of issuance. The successful bidder shall complete and provide to DTC's Underwriting Department the Eligibility Questionnaire in the form required by DTC not later than five (5) business days prior to closing.

PURPOSE OF ISSUE: The Bonds are authorized to be issued for the purpose of financing the acquisition, construction and completion of certain public safety (fire, police and 911 facilities) improvements. The Bonds are the fifth series of general obligation bonds that the City is issuing pursuant to the voter approval for public safety improvements. All of the net proceeds of the Bonds will be used for public safety improvements. The issuance of general obligation bonds for public safety improvements in the total principal amount of \$159,000,000 was authorized by a vote of more than two-thirds of the qualified voters of the City voting at a municipal election held on March 5, 2002. Additionally, the issuance of general obligation bonds for library improvements in the total principal amount of \$211,790,000 was authorized by a vote of more than two-thirds of the qualified voters of the City voting at a municipal election held on November 7, 2000, and the issuance of general obligation bonds for park improvements in the total principal amount of \$228,030,000 was authorized by a vote of more than two-thirds of the qualified voters of the City voting at a municipal election held on November 7, 2000. For information relating to the City's outstanding general obligation bonds and remaining unused general obligation bond authorization, see "THE BONDS – Authority for Issuance" in the Preliminary Official Statement

SECURITY FOR THE BONDS: The Bonds are general obligations of the City payable from *ad valorem* taxes levied by the City and collected by the County of Santa Clara. The City has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxed at limited rates) for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law. The City has covenanted in the Fiscal Agent Agreement to direct the County of Santa Clara to collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service on the Bonds.

OPTIONAL REDEMPTION: The Bonds maturing on or before September 1, 20___, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or

after September 1, 20___, shall be subject to redemption prior to their respective maturity dates as a whole or in part, on any date, from any moneys provided at the option of the City, in each case on and after September 1, 20___, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The City shall provide notice to the Fiscal Agent of any such optional redemption at least forty-five (45) days prior to the date set for redemption. In the case of a redemption in part, a City Representative shall designate to the Fiscal Agent, in a Written Request of the City, those maturities to be redeemed in whole or in part (including as a maturity, for such purposes, principal due on the Bonds on a particular September 1 as a result of a scheduled mandatory sinking fund redemption). In the event a City Representative does not designate the maturities of the Bonds to be redeemed, the Fiscal Agent shall select Bonds for redemption on a proportionate basis among maturities. In the event a particular maturity of Bonds is to be redeemed in part only, the Fiscal Agent shall select the Bonds of such maturity to be redeemed by lot.

TERMS OF SALE

Interest Rate for the Bonds; Purchase Price. The coupon rate or rates bid, as the case may be, may not exceed eight percent (8%) per annum for the Bonds. Interest on the Bonds will be payable commencing March 1, 2010, and semiannually thereafter on March 1 and September 1 of each year. Each rate bid must be a multiple of one-eighth of one percent (1/8%) or one-twentieth of one percent (1/20%). All of the Bonds of the same maturity must carry the same interest rate. No Bond may bear more than one interest rate, and each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date. **The purchase price bid for the Bonds shall not be less than 100. ___%.** Each bid must be in accordance with all other terms and conditions set forth in this notice. See "TERMS OF SALE - Official Statement and Other Information."

Mandatory Sinking Fund Redemption: Any bidder may, at its option, specify that one or more maturities of Bonds will consist of term bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder, provided that no such term Bond shall have a final maturity date of later than September 1, 20___ (the first optional redemption date), if sinking fund redemptions with respect thereto commence on or prior to September 1, 20___. In the event that the bid of the successful bidder specifies that any maturity of Bonds will be a term bond, such term bond will be subject to mandatory sinking fund redemption on September 1 in each applicable year in the principal amount for such year as set forth above under the heading "MATURITIES," at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

Electronic Bids. Electronic bids must conform with the procedures established by Parity. Solely as an accommodation to bidders, electronic bids will be received exclusively through Parity in accordance with this Official Notice Inviting Bids until 10:00 a.m. California time, but no bid will be received after the time specified for receiving bids. To the extent any instructions or directions set forth in Parity conflict with this Official Notice Inviting Bids, the terms of this Official Notice Inviting Bids shall control. For further information about Parity, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018; Telephone: (212) 849-5021.

The City retains absolute discretion to determine whether any bid is timely and complete.

WARNING REGARDING ELECTRONIC BIDS: The City will accept bids in electronic form solely through Parity on the Official Bid Form created for such purpose. Each bidder submitting an electronic bid understands and agrees that by doing so it is solely responsible for all arrangements with Parity, and that Parity is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained from Parity, and the City assumes no responsibility for ensuring or verifying bidder compliance with the procedures of Parity. The City shall assume that any bid received through Parity has been made by a duly authorized agent of the bidder.

Neither the City, the Financial Advisor nor Bond and Disclosure Counsel assume any responsibility for any error contained in any bid submitted electronically, or for the failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the City at the place of bid receipt, and the City shall not be required to accept the time kept by Parity as the official time.

Award of Bonds: The Bonds will be awarded by the City to the lowest responsible bidder therefor, considering the rate or rates specified and the discount bid or premium offered, if any. The lowest bidder for the Bonds shall be the bidder submitting the price resulting in the lowest true interest cost. The true interest cost will be the nominal interest rate which, when computed semiannually and used to discount the total debt service payments on the Bonds to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds (assuming that any term Bonds are redeemed as scheduled pursuant to mandatory sinking fund payments) at the interest rate or rates specified in the bid. In the event that two or more bidders have bid the same interest cost, the award shall be made by lot, subject to the other provisions of this notice.

Right of Rejection: The City reserves the right, in its discretion, to reject any and all bids and, to the extent permitted by law, to waive any irregularity, non-conformity or informality in any bid.

Prompt Award: The City will take action awarding the Bonds or rejecting all bids for Bonds not later than twenty-six (26) hours after the time herein prescribed for the receipt of bids, unless such time is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Form of Bid for the Bonds: Each bid for the Bonds must be delivered via Parity. Each bid must be unconditional and in accordance with the terms and conditions set forth herein, or permitted herein.

CUSIP: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms hereof. The cost of the assignment of CUSIP numbers shall be paid by the winning bidder.

Prompt Delivery; Form of Bonds: Delivery will be made as soon as practicable, but in any event within thirty (30) days after the date hereinabove specified for the receipt of proposals. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of the Bonds will be issued to DTC, and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of five thousand dollars (\$5,000) or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants. The successful bidders, as a condition to the delivery of their Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its nominee.

Place of Delivery; Form of Payment: Delivery of the Bonds to the purchasers, on a date to be established by the City, will be made at DTC offices upon payment therefor in Federal Reserve Funds (immediately available) or at any other place agreeable to both the City and the purchaser.

Deposit: A Good Faith Deposit ("Deposit") in the amount of \$90,000, payable to the order of the City, is required from the purchaser of the Bonds ("Purchaser") subsequent to the award of the sale. for each bid to be considered. The Purchaser is required to wire transfer such amount not later than 10:00 a.m. California time on the next business day following the award, to the City using the following wire instructions:

Wells Fargo Bank, NA
ABA 121000248
Acct: 1038377
Ref: SJ GO 2009 Good Faith Deposit
Attn: Dania Samai, 213-614-3328

If such Deposit is not received by that time, the award of sale may be rescinded by the City. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. The Deposit accompanying any accepted bid shall be cashed and the proceeds thereof applied to the purchase price. In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the City as and for full liquidated damages.

List of Members of Account: Bidders are requested to list on the bid form the names of the members of the account on whose behalf the bid is made.

California Debt and Investment Advisory Commission Fee: All bidders are advised that it will be the responsibility of the successful bidder to pay the statutory fee to the California Debt and Investment Advisory Commission.

No Litigation: No litigation is pending against the City with service of process accomplished or threatened in writing concerning the validity of the Bonds, or questioning the political existence of the City or seeking to restrain or enjoin the issuance or execution of the Bonds. The City will furnish to the purchaser of the Bonds a certificate as to the foregoing as of the time of the original delivery of the Bonds.

[Bond Insurance: The successful bidder may purchase municipal bond insurance, if available, for some or all of the Bonds. However, the delivery of the Bonds shall not be conditioned upon the issuance of any such insurance. In the event that the winning bidder elects to obtain a policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and the City will not have any responsibility for payment of such premium and costs. The successful bidder must provide the amount of the policy premium, if any, within one hour of the award of the Bonds and also must provide the City with the municipal bond insurance commitment, if any, as well as information with respect to the municipal bond insurance policy and insurance provider for inclusion in the final Official Statement within two business days following the award of the bid by the City. ***Failure of the insurer to issue its policy shall not justify failure or refusal by the successful bidder to accept delivery of, or pay for, the Bonds.***]

Additionally, the successful bidder, if it purchases a municipal bond insurance policy for all or a portion of the Bonds, will be expected to certify in the Underwriter's Certificate set forth as Exhibit A hereto that (A) the present value of fees for the municipal bond insurance policy issued with respect to the Bonds (the "Insurance") is less than the present value of expected interest savings as a result of the Insurance, determined by using the yield of the Bonds (including fees for the Insurance) as the discount rate in computing present value; and (B) based on the experience of the Underwriter in assisting issuers to obtain municipal bond insurance, the fees for the Insurance do not exceed a reasonable arm's length charge for transfer of the credit risk represented by the Insurance and do not include any payment for any direct or indirect services other than the transfer of credit risk.

Certification Relating to the Official Statement: The City will deliver to the purchasers of the Bonds a certificate of an officer of the City, dated the date of delivery of the Bonds, stating that, as of the date thereof, to the best knowledge and belief of said officer, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and further certifying that such officer knows of no material adverse change in the condition of the City which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds.

Continuing Disclosure: The City will covenant for the benefit of owners of the Bonds to cause certain financial information and operating data relating to the City to be provided in order to assist the purchaser in complying with Securities Exchange Commission Rule 15c2-12(b)(5). The specific nature of the financial information, operating data and material events to be disclosed on an ongoing basis is summarized in the Preliminary Official Statement.

Official Statement and Other Information: The Preliminary Official Statement will be posted on the web at _____. Copies of the Fiscal Agent Agreement, this Official Notice Inviting Bids and the Preliminary Official Statement will also be furnished to any potential bidder upon request made to the City's Financial Advisor at: KNN Public Finance, a division of Zions First National Bank, 1333 Broadway, Suite 1000, Oakland, CA 94612, telephone: (510) 839-8209, e-mail: mbreitbart@knninc.com.

The Preliminary Official Statement is in a form deemed final by the City within the meaning of Rule 15c2-12(b)(1) (the "Rule") promulgated by the Securities and Exchange Commission except for the omission of certain information permitted to be omitted therefrom

pursuant to the Rule, but is subject to revision, amendment and completion in a final Official Statement.

Bidders will be required to confirm their consent to delivery of the Preliminary Official Statement in electronic form and their review of a complete copy of the Preliminary Official Statement, as a condition to the acceptance of their bid by the City. The Internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Upon the sale of the Bonds, the City will publish the Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions, and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date for the Bonds, but in no event later than seven business days after the sale date of the Bonds, the City will provide the successful bidder with a reasonable number of copies of the Official Statement. Such final Official Statement may be obtained, without cost to the successful bidder, in an amount not greater than 250. The successful bidder agrees to supply the City all pricing information necessary to complete the Official Statement within 24 hours after the award of the Bonds. Additional copies of the final Official Statement may be obtained at additional cost.

By making a bid for the Bonds, the successful bidders agree (1) to disseminate to all members of the underwriting syndicate copies of the final Official Statement, including any supplements prepared by the City, (2) to promptly file a copy of the final Official Statement, including any supplements prepared by the City, with a Nationally Recognized Municipal Securities Information Repository, and (3) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds and the Official Statement to ultimate purchasers.

Prospective bidders should review the form of opinion of Bond Counsel set forth in Appendix C to the Preliminary Official Statement.

Except as described under "Continuing Disclosure" above, the City does not undertake any obligation to provide any update, amendment or supplement to the Official Statement or any other supplemental disclosure information after the date of closing.

Ratings: The Bonds have received ratings of "___" by Moody's Investors Service, "___" by Standard & Poor's Rating Services ("S&P"), and "___" by Fitch.

Such ratings reflect only the view of such organizations and an explanation of the significance of such ratings may be obtained from Moody's Investors Service, 99 Church Street, New York, NY 10007, (212) 553-0300; Standard & Poor's Rating Services, 55 Water Street, New York, NY 10041, (212) 438-2124; and Fitch, One State Street Plaza, New York, NY 10004, (800) 753-4824. There is no assurance that any such rating will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by such organizations, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Qualification for Sale; Blue Sky: Compliance with blue sky laws shall be the sole responsibility of the successful bidder (the "Purchaser"). The City will furnish such information and take such action not inconsistent with law as the Purchaser may request and the City shall deem necessary or appropriate to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; provided, however, that the City shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. **The Purchaser will not offer to sell or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such Purchaser to make such offer, solicitation or sale, and the Purchaser shall comply with the blue sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Bonds.**

Certification of Reoffering Price: The successful bidder will, within one hour after being notified of the award of the Bonds on the sale date (the "Sale Date"), advise the City's Financial Advisor of the initial public offering prices (the "Initial Offering Prices") of the Bonds. For this purpose, the general public does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. Said certification of Initial Offering Prices will be included in a certificate to be executed by the successful bidder as of the date of execution and delivery of the Bonds (the "Underwriter's Certificate"). Further, the successful bidder, by submitting its bid, agrees that

(i) on or prior to the date of execution and delivery of the Bonds, it will actually offer one hundred percent (100%) of each maturity of the Bonds to the general public in a bona fide public offering for prices equal to or less than the Initial Offering Prices; and

(ii) as of the date of execution and delivery of the Bonds, it will make the following representations and certifications in the Underwriter's Certificate (the form of which is attached hereto as Exhibit A): (A) that, as of the Sale Date, the successful bidder, taking into account market conditions, had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices, (B) that, as of the Sale Date, other than specifically identified maturities of the Bonds, at least 10 percent (10%) of each maturity of the Bonds was initially sold to the general public for the respective Initial Offering Prices, and (C) that, in the opinion of the successful bidder, the Initial Offering Prices do not exceed the fair market value of said maturities of the Bonds to the general public as of the Sale Date.

Additionally, the successful bidder, if it purchases a municipal bond insurance policy for all or a portion of the Bonds, will be expected to certify in the Underwriter's Certificate that (A) the present value of fees for the municipal bond insurance policy issued with respect to the Bonds (the "Insurance") is less than the present value of expected interest savings as a result of the Insurance, determined by using the yield of the Bonds (including fees for the Insurance) as the discount rate in computing present value; and (B) based on the experience of the Underwriter in assisting issuers to obtain municipal bond insurance, the fees for the Insurance do not exceed a reasonable arm's length charge for transfer of the credit risk represented by the Insurance and do not include any payment for any direct or indirect services other than the transfer of credit risk.

The form of Underwriter's Certificate is set forth in Exhibit A hereto.

Right to Modify or Amend: The City reserves the right to modify or amend this Official Notice Inviting Bids; however, such notifications of amendments shall be made not later than 1:00 p.m. California time on the business day prior to the bid opening and communicated through Thompson Municipal News and/or Bloomberg Business News.

Postponement: The City reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be announced through Thompson Municipal News or Bloomberg Business News not later than 1:00 p.m., California time, on the last business day prior to any announced date for receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced through Thompson Municipal News or Bloomberg Business News at least 24 hours prior to such alternative sale date. On any such alternative sale date, bidders must submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice Inviting Bids except for the date of sale and except for the changes announced through Thompson Municipal News or Bloomberg Business News.

DATED: As of June __, 2009

/s/ Lee Price
City Clerk
City of San José

EXHIBIT A

\$9,000,000*

CITY OF SAN JOSE
GENERAL OBLIGATION BONDS, SERIES 2009
(PUBLIC SAFETY PROJECTS)

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of _____, as underwriter (the "Underwriter") of the above-captioned bonds (the "Bonds"), hereby confirms our advice that:

(i) Based upon reasonable expectations and actual facts which existed on _____, being the date upon which the City of San José (the "City") sold the Bonds to the Underwriter (the "Sale Date"), the Underwriter reasonably expected to sell a substantial amount of each maturity of the Bonds (being at least ten percent (10%) of each maturity) to the general public (for purposes of this Certificate, "general public" excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices, or in the case of obligations sold on a yield basis, at the respective yields (together the "Initial Offering Prices") set forth in Schedule 1 attached hereto and by this reference incorporated herein (these prices are also shown of the cover of the Official Statement).

(ii) The aggregate of the Initial Offering Prices is \$_____.

(iii) As of the date hereof, 100% of the Bonds of each maturity were actually offered to the general public in a bona fide public offering for the Initial Offering Prices.

(iv) As of the Sale Date, the Underwriter, taking into account market conditions, had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices.

(v) As of the Sale Date, other than the _____, _____ and _____ maturities of the Bonds, at least 10 percent (10%) of each maturity of the Bonds was initially sold to the general public for the respective Initial Offering Prices.

(vi) In our opinion, the Initial Offering Prices do not exceed the fair market value of said maturities of the Bonds to the general public as of the Sale Date.

(vii) The present value of fees for the municipal bond insurance policy issued by _____ with respect to the Bonds (the "Insurance") is less than the present value of expected interest savings as a result of the Insurance, determined by using the yield of the Bonds (including fees for the Insurance) as the discount rate in computing present value.

*Preliminary, subject to change.

(vii) based on the experience of the Underwriter in assisting issuers to obtain municipal bond insurance, the fees for the Insurance do not exceed a reasonable arm's length charge for transfer of the credit risk represented by the Insurance and do not include any payment for any direct or indirect services other than the transfer of credit risk.

Dated: _____

as Underwriter

By _____

[Name]

[Title]

SCHEDULE 1

<u>Maturity Date (September 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Reoffering Price**</u>
2010	\$	_____	_____
2011		_____	_____
2012		_____	_____
2013		_____	_____
2014		_____	_____
2015		_____	_____
2016		_____	_____
2017		_____	_____
2018		_____	_____
2019		_____	_____
2020		_____	_____
2021		_____	_____
2022		_____	_____
2023		_____	_____
2024		_____	_____
2025		_____	_____
2026		_____	_____
2027		_____	_____
2028		_____	_____
2029		_____	_____
2030		_____	_____
2031		_____	_____
2032		_____	_____
2033		_____	_____
2034		_____	_____
2035		_____	_____
2036		_____	_____
2037		_____	_____
2038		_____	_____
2039		_____	_____

*Preliminary, subject to change.
 **Stated as a percentage of par.