

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER, THE ASSISTANT DIRECTOR OF FINANCE OR THEIR AUTHORIZED DESIGNEES TO NEGOTIATE, EXECUTE AND DELIVER LETTER OF CREDIT AND REIMBURSEMENT AGREEMENTS WITH EACH OF JPMORGAN CHASE BANK, N.A., BANK OF AMERICA, N.A., CITIBANK, N.A., AND WELLS FARGO BANK, N.A., AND THE ASSOCIATED FEE LETTERS; A SECOND AMENDED AND RESTATED ISSUING AND PAYING AGENT AGREEMENT WITH DEUTSCHE BANK TRUST COMPANY AMERICAS; AMENDED AND RESTATED DEALER AGREEMENTS WITH EACH OF BARCLAYS CAPITAL INC., CITIGROUP GLOBAL MARKETS INC., AND MORGAN STANLEY & CO. INCORPORATED, ALL RELATED TO THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT COMMERCIAL PAPER PROGRAM, AND TO TAKE OTHER NECESSARY ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City of San José (the “City”) is authorized by its charter to issue notes from time to time for the purpose of financing capital project costs in connection with the Norman Y. Mineta San José International Airport (the “Airport”) and to refund such notes; and

**WHEREAS**, on October 2, 1984, the City Council of the City (the “City Council”) adopted Resolution No. 57794 providing for the issuance of obligations secured by and payable from the revenues of the Airport Enterprise, as defined in said resolution (said resolution, as supplemented and amended from time to time, the “Master Bond Resolution”); and

**WHEREAS**, the City Council adopted Resolution No. 69199 (the “Tenth Supplemental Resolution”), amending and supplementing the Master Bond Resolution to provide for the issuance of obligations secured by and payable from the revenues of the Airport Enterprise on a basis and secured by a lien that is subordinate to the lien of the Airport revenue bonds issued and outstanding under the Master Bond Resolution; and

**WHEREAS**, the City Council adopted Resolution No. 70532 amending and restating the Master Bond Resolution in the form of a Master Trust Agreement dated as of July 1, 2001, between the City and The Bank of New York Trust Company, N.A. (successor to BNY Western Trust Company), as trustee (the “Trustee”), and the City and the Trustee have subsequently entered into amendments and supplements to the Master Trust Agreement (collectively, the “Master Trust Agreement”); and

**WHEREAS**, the City Council adopted Resolution No. 69200, as amended by Resolution No. 73252, Resolution No. 73589, Resolution No. 74116 and Resolution No. 75100, authorizing the issuance of the City's San José International Airport Subordinated Commercial Paper Notes (the "Notes") including the Series A-1 Notes, Series A-2 Notes, Series B Notes and Series C Notes (collectively, the "Series A/B/C Notes"); and

**WHEREAS**, on the date hereof, the City Council adopted a resolution superseding Resolution No. 69200, as amended, and continuing, ratifying and confirming the authorization for the issuance of the Notes in an aggregate amount not to exceed \$600,000,000 outstanding at any one time to, among other things, finance or refinance the costs (including capitalized interest) of Airport facilities that included in or are consistent with the Airport Master Plans as approved on June 10, 1997, and as subsequently amended; and

**WHEREAS**, the City has entered into an Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2009 (the "Existing Issuing and Paying Agent Agreement"), with Deutsche Bank Trust Company Americas, the successor issuing and paying agent (the "Issuing and Paying Agent"), and into separate Amended and Restated Dealer Agreements with each of Citigroup Global Markets Inc. and Barclays Capital Inc. and a Second Amended and Restated Dealer Agreement with Morgan Stanley & Co. Incorporated, as dealers (collectively, the "Dealers") for the Series A/B/C Notes; and

**WHEREAS**, the letters of credit currently providing for the payment of the Series A/B/C Notes will expire on February 2, 2011; and

**WHEREAS**, the City and each of JPMorgan Chase Bank, N.A. ("JPMorgan"), Bank of America, N.A. ("BofA"), Citibank, N.A. ("Citi"), and Wells Fargo Bank, N.A. ("WFB" and, together with JPMorgan, BofA and Citi, the "Banks"), desire to enter into a Letter of Credit and Reimbursement Agreement (each, a "Reimbursement Agreement") pursuant to which each Bank will provide a direct-pay letter of credit in (the "Letters of Credit") support of certain of the Series A/B/C Notes; and

**WHEREAS**, the City and each Bank will also enter into a Fee Letter related to the City's payment of various fees to such Bank in consideration of the provision of its Letter of Credit (each, a "Fee Letter"); and

**WHEREAS**, in connection with the Reimbursement Agreements and the Letters of Credit, the Series A/B/C Notes will need to be divided into additional subseries; and

**WHEREAS**, in order to provide for such subseries, the City and the Issuing and Paying Agent will enter into a Second Amended and Restated Issuing and Paying Agent Agreement (the "Second Amended and Restated Issuing and Paying

Agent Agreement”), and the City and each Dealer for the Series A/B/C Notes will enter into separate Second or Third Amended and Restated Dealer Agreements, as appropriate (the “Restated Dealer Agreements”);

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:**

Section 1. The form of the Second Amended and Restated Issuing and Paying Agent Agreement, by and between the City and the Issuing and Paying Agent, amending and restating the Existing Issuing and Paying Agent Agreement and that is posted on the City’s agenda webpage is hereby approved. The City Manager of the City, the Assistant Director of Finance of the City, or any of the City Manager’s or the Assistant Director’s authorized designees, each acting alone (collectively, the “Authorized Officers”), is authorized hereby to execute and deliver the Second Amended and Restated Issuing and Paying Agent Agreement in substantially the form posted on the City’s agenda webpage, with such additions, changes and corrections therein as necessary and desirable to provide for the division into subseries of the Series A/B/C Notes and to establish and confirm the terms and conditions of the Notes, including the principal amount thereof and the interest rates thereon (provided that the aggregate combined principal amount of the Notes, including accrued interest thereon, outstanding at any one time shall not exceed \$600,000,000 and that the maximum interest rate on the Notes and the maximum true interest cost to the City shall not exceed the maximum permitted by law in each case); and with such additional terms as an Authorized Officer, after consulting with the City Attorney’s office, shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. (a) The forms of Reimbursement Agreements and related Fee Letters with respect to the Series A/B/C Notes, each by and between the City and a Bank, and that are posted on the City’s agenda webpage, providing for the issuance by each Bank to the Issuing and Paying Agent for the account of the City of one or more irrevocable, direct-pay letters of credit to secure timely payment of the Series A/B/C Notes, and providing for the security and repayment to each Bank of funds advanced thereunder on the City’s behalf, plus interest thereon and fees in connection therewith, are hereby approved. The Authorized Officers, each acting alone, are authorized hereby to execute and deliver each of the Reimbursement Agreements and Fee Letters in substantially the applicable forms posted on the City’s agenda webpage, with such additions, changes and corrections therein as an Authorized Officer, after consulting with the City Attorney’s office, shall determine are necessary and desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) The Authorized Officers, each acting alone, are authorized hereby to select a substitute or additional letter of credit bank or banks, and to approve the assignment of any of the Banks’ obligations to another bank or banks pursuant to the terms of the Reimbursement Agreement, provided that such substitute bank or

assignee bank, at the time of the substitution or assignment, is a "Qualified Bank" as defined in subsection 2(c) of this Resolution, and to enter into a reimbursement agreement with each such substitute or additional bank on substantially the same terms as contained in the Reimbursement Agreement hereby approved with such additions, changes and corrections therein as necessary and desirable and as an Authorized Officer, after consulting with the City Attorney's office, shall require or approve, such approval to be conclusively evidenced by the execution and delivery of such substitute reimbursement agreements.

(c) The Authorized Officers, each acting alone, are authorized hereby to negotiate, execute and deliver future amendments to the Reimbursement Agreement and/or the Fee Letter without further authorization of this Council as follows: (1) to substitute for any of the Banks currently providing credit support pursuant to the Reimbursement Agreement other commercial banks having at the time of the substitution a long-term rating in at least the "A" rating category, without regard to any numerical modifier, plus or minus sign or other modifier, from each rating agency then rating the Notes, and a short-term rating in at least the "P-3" rating category, taking into account any numerical modifier, but not any plus or minus sign or other modifier, from each rating agency then rating the outstanding Notes (each a "Qualified Bank"); or (2) to approve extensions of the Letter of Credit Expiration Date (as such term is defined in the applicable Reimbursement Agreement) on substantially the same terms and conditions in the applicable Reimbursement Agreement approved hereby, provided that the total compensation payable by the City under the Reimbursement Agreement, respectively, does not exceed 2.50% per annum of the Stated Amount (as defined in the applicable Reimbursement Agreement).

Section 3. (a) The form of Restated Dealer Agreement with respect to the Series A/B/C Notes, by and between the City and each Dealer, as commercial paper dealer for the City in connection with the offering and sale of the Series A/B/C Notes, and that is posted on the City's agenda webpage, is hereby approved. The Authorized Officers, each acting alone, are authorized hereby to execute and deliver each of the Restated Dealer Agreements in substantially the form posted on the City's agenda webpage, with such additions, changes and corrections therein as an Authorized Officer, after consulting with the City Attorney's office, shall determine are necessary and desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) Each of the Authorized Officers is authorized hereby to select substitute commercial paper dealers and to enter into commercial paper dealer agreements with such substitute dealers on substantially the same terms as contained in the Restated Dealer Agreements hereby approved, with such additions, changes and corrections therein as necessary and desirable, as the Authorized Officer after consulting with the City Attorney's office, shall require or approve, such approval to be conclusively evidenced by the execution and delivery of such substitute commercial paper dealer agreements.

Section 4. All actions heretofore taken by the officers and agents of the City with respect to the preparation, execution and delivery of the documents approved hereby and the other transactions authorized and contemplated herein are hereby approved, confirmed and ratified, and the officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. The Authorized Officers and the other officers and employees of the City are hereby authorized and directed to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates and tax certificates necessary and desirable to accomplish the transactions set forth above.

Section 5. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 11th day of January, 2011, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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CHUCK REED  
Mayor

ATTEST:

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DENNIS D. HAWKINS, CMC  
City Clerk

CITY CLERK'S CERTIFICATE

I, Dennis D. Hawkins, City Clerk of the City of San José, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly, regularly and legally held at the San José City Hall, 200 E. Santa Clara Street, San José, California, on January 11, 2011 and entered into the minutes thereof, of which meeting all of said members of the Council had due notice and at which a quorum thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes:

Noes:

Absent:

Disqualified:

An agenda of said meeting was posted at least 72 hours before said meeting at 200 E. Santa Clara Street, San José, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original synopsis of said meeting on file and of record in my office. Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2011.

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City Clerk of the City of San José, California