
**EIGHTH
SUPPLEMENTAL TRUST AGREEMENT**

between the

CITY OF SAN JOSE

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE**

Dated as of December 1, 2011

Providing for the Issuance of

**[\$[2011B Par Amount] City of San José
Airport Revenue Bonds, Series 2011B (Taxable)]**

This EIGHTH SUPPLEMENTAL TRUST AGREEMENT made and entered into as of December 1, 2011 (the "Supplemental Agreement") by and between the CITY OF SAN JOSE, CALIFORNIA, a municipal corporation and political subdivision duly organized and validly existing under the Constitution and laws of the State of California and the Charter of the City (the "City") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under the laws of the United States of America, as successor to BNY Western Trust Company, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Council of the City (the "Council") duly adopted Resolution No. 57794 (the "1984 Resolution") on October 2, 1984, providing for the issuance of City of San José Airport Revenue Bonds (the "Bonds") pursuant to Sections 200 and 1220 of the Charter and Chapter 4.38 of the San José Municipal Code, in order to finance and refinance the acquisition, construction, establishment, expansion, improvement, maintenance, operation and administration of municipal airport facilities and to pay costs incidental thereto and to the issuance of the Bonds;

WHEREAS, the Council, on June 26, 2001, duly adopted Supplemental Resolution No. 70532 amending and restating the 1984 Resolution in the form of the Master Trust Agreement dated as of July 1, 2001 (the "Master Agreement"), between the City and the Trustee;

WHEREAS, the City desires now to issue a series of Additional Bonds (the "2011B Bonds") for the purpose of refinancing a portion of the costs of certain improvements to the Norman Y. Mineta San José International Airport including refunding certain outstanding San José International Airport Subordinated Commercial Paper Notes, and paying certain costs of issuance of the 2011B Bonds;

WHEREAS, pursuant to Section 10.02 of the Master Agreement, the Master Agreement may be amended without the consent of the Owners of the Bonds or the Municipal Bond Insurers, for the purpose of curing, correcting or supplementing any ambiguous or defective provision contained in the Master Agreement or in regard to questions arising under the Master Agreement, as the City may deem necessary or desirable and not inconsistent with the Master Agreement, and which shall not materially adversely affect the interests of the Owners of the Bonds;

WHEREAS, the City deems it necessary and desirable to clarify an ambiguity with respect to the reserve fund valuation procedures in Section 12.02 of the Master Agreement by supplementing them to require that the Trustee first obtain approval from the City for its valuations of investments held within the Bond Reserve Fund prior to transferring any amounts on deposit in an account within the Bond Reserve Fund to the Interest Fund or General Revenue Fund, and the City further finds that this amendment will not adversely affect the interests of the Owners of the Bonds;

WHEREAS, the City deems it necessary and desirable to cure an ambiguity with respect to the application of proceeds of eminent domain proceedings to the redemption of one or more Series of Bonds by clarifying that the application of such proceeds to redeem one or more Series of Bonds in accordance with Section 7.12 of the Master Agreement, as required by Section 4.01(b) of the Master Agreement, does not necessitate that redemption of Bonds of

such Series be effected by lot within a maturity or at the principal amount thereof plus accrued interest thereon, without premium, but rather such redemption shall be effected upon the conditions and terms set forth in Section 7.12 of the Master Agreement and in the Supplemental Agreement with respect to such Series of Bonds, and the City further finds that this amendment will not adversely affect the interests of the Owners of the Bonds;

WHEREAS, the City is not in default under the Master Agreement or any Supplemental Agreements heretofore executed;

NOW, THEREFORE, THIS EIGHTH SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all 2011B Bonds at any time issued and outstanding under the Master Agreement and this Supplemental Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2011B Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2011B Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the 2011B Bonds, as follows:

ARTICLE I

SERIES OF ADDITIONAL BONDS

SECTION 1.01 Definitions. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Master Agreement and in Appendices A-15 attached hereto.

SECTION 1.02 New Series of Additional Bonds – 2011B Bonds. A new series of Additional Bonds to be issued under Article III of the Master Agreement is hereby created and such Additional Bonds are designated as the “City of San José Airport Revenue Bonds, Series 2011B (Taxable)” (the “2011B Bonds”). The terms of the 2011B Bonds are set forth in Appendix A-15 hereto and the form thereof is set forth in Appendix B-15 hereto, and the same are hereby incorporated by reference as if fully set forth herein. As provided in Section 3.03 of the Master Agreement, upon the execution of this Supplemental Agreement and the issuance and delivery of the 2011B Bonds, such Appendices A-15 and B-15 shall be attached to the Master Agreement and shall thereafter become a part of such document. The 2011B Bonds are hereby designated as Taxable Bonds.

SECTION 1.03 Severability of Invalid Provisions. If any one or more of the provisions contained in this Supplemental Agreement or in any 2011B Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Supplemental Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Supplemental Agreement, and this Supplemental Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The City hereby declares that it would have authorized, and caused to be executed and delivered this Supplemental Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of 2011B Bonds pursuant

thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Supplemental Agreement may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee or any successor Trustee is rendered unable to perform its duties hereunder, and if no successor Trustee be then appointed, all such duties and all of the rights and powers of the Trustee hereunder shall be assumed by and vest in the Director of Finance of the City in trust for the benefit of the Bondowners.

SECTION 1.04 Effective Date of Supplemental Agreement. This Supplemental Agreement shall take effect from and after the date of its execution and delivery by all parties hereto.

SECTION 1.05 Governing Law. This Supplemental Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 1.06 Signatures and Counterparts. This Supplemental Agreement may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

ARTICLE II

AMENDMENTS

SECTION 2.01 Amendment of Section 12.02 – Bond Reserve Fund Valuation Procedures. Pursuant to Section 10.02 of the Master Agreement, the first paragraph of Section 12.02 of the Master Agreement is hereby further amended to read as follows (with additions bolded and underlined):

All moneys held by the City or the Trustee in the Funds and accounts established or continued hereunder shall be held in time or demand deposits (including certificates of deposit) in any bank or trust company (including the Trustee) authorized to accept deposits of public funds, and shall be secured at all times by such obligations, and to the fullest extent, as is required by law, and may at the written direction of the City be invested in Permitted Investments, maturing not later than the date on which such moneys are required for payment by the Director of Finance or the Trustee, as the case may be. Moneys in the Bond Reserve Fund may be deposited or invested in time or demand deposits or Permitted Investments which mature not more than five years from the date of investment; provided, however, that any Permitted Investment with a nominal term greater than five years but which permits withdrawal of the entire principal amount of such investment at par, without penalty and at such times as shall be required hereunder, shall be deemed to have a maturity for purposes of this sentence of the first such permitted withdrawal date. For the purpose of determining the amount of money in the Bond Reserve Fund, all investments of moneys therein shall be valued annually, **or more frequently upon Written Request of the City,** at face value if such investments mature within twelve months from the date of valuation, and if such investments mature more than twelve months after the date of valuation, at the price at which such investments

are redeemable by the holder at the holder's option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such investments minus the amortization of any premium or plus the amortization of any discount, or (ii) market value of such investments; **provided that, prior to making any transfers to the Interest Fund, pursuant to Section 5.02(d) of this Master Agreement, or to the General Revenue Fund of amounts on deposit in an account within the Bond Reserve Fund in excess of the Required Reserve, the Trustee shall (i) submit the calculations it used to determine the value of investments held in the Bond Reserve Fund to the City and (ii) obtain written approval of such calculations from the City.**

SECTION 2.02 Amendment of Section 4.01(b) – Redemption of Bonds From Proceeds of Eminent Domain Proceedings. Pursuant to Section 10.02 of the Master Agreement, Section 4.01(b) of the Master Agreement is hereby amended to read as follows (with deletions bracketed and struck through):

(b) Any series of Bonds, other than the Existing Bonds, may be made subject to redemption prior to maturity, as a whole or in part, at such time or times, and upon payment of the principal amount thereof plus such premium or premiums, if any, as may be determined by the City at the time such series is authorized and as shall be set forth in the Supplemental Agreement authorizing such series, except that such Supplemental Agreement shall provide that the City shall have the right, on any date, to redeem the Bonds of any such series, as a whole, or in part [~~by lot within each maturity~~], from and to the extent of proceeds received by the City due to a governmental taking of the Enterprise or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the Enterprise, under the circumstances and upon the conditions and terms set forth in Section 7.12[~~, at the principal amount thereof plus accrued interest thereon, without premium~~].

SIGNATURES

IN WITNESS WHEREOF, the parties have caused this Eighth Supplemental Trust Agreement to be duly executed all as of the day and year first above written.

CITY OF SAN JOSE, CALIFORNIA

By: _____
Director of Finance

ATTEST:

City Clerk

APPROVED AS TO FORM:
Richard Doyle, City Attorney

By: _____
Chief Deputy City Attorney

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

APPENDIX A-15
ISSUANCE AND TERMS OF THE 2011B BONDS

SECTION A-15.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified, for all purposes of this Appendix A-15, the Master Agreement, the Eighth Supplemental Trust Agreement and any subsequent Supplemental Agreements (unless otherwise provided therein) and of any certificate, opinion or other document herein mentioned. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Master Agreement.

Authorized Airport Representative

“Authorized Airport Representative” means the Director of Aviation or the person or persons designated from time to time in writing by the Director of Aviation to the Trustee to execute documents on behalf of the Director of Aviation.

Authorized Finance Representative

“Authorized Finance Representative” means the Director of Finance, the Assistant Director of Finance, the Treasury Division Manager or the Debt Administrator, each acting alone, or the person or persons designated from time to time in writing by the Director of Finance to the Trustee to execute documents as an Authorized Finance Representative on behalf of the Director of Finance.

Closing Date

“Closing Date” means [December 14, 2011] with respect to the 2011B Bonds.

Comparable Treasury Issue

“Comparable Treasury Issue” means, with respect to any redemption date for a particular 2011B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the 2011B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the 2011B Bond to be redeemed.

Comparable Treasury Price

“Comparable Treasury Price” means, with respect to any redemption date for a particular 2011B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

Designated Investment Banker

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the City.

Make-Whole Redemption Price

“Make-Whole Redemption Price” means the amount equal to the greater of the following:

- (1) 100% of the principal amount of the 2011B Bonds to be redeemed; or
- (2) the original issue price of the 2011B Bonds to be redeemed; or
- (3) the sum of the present value of the remaining scheduled payments of principal and interest on the 2011B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2011B Bonds are to be redeemed, discounted to the date on which the 2011B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus ___ basis points.

At the request of the City or the Trustee, the Make-Whole Redemption Price of the 2011B Bonds, with respect to clause (3) above, will be calculated by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense. The City and the Trustee may conclusively rely on the determination of the Treasury Rate by the Designated Investment Banker and on any Make-Whole Redemption Price calculated by an independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

Reference Treasury Dealer

“Reference Treasury Dealer” means each of the four firms, specified by the City from time to time, that are primary United States Government securities dealers in the City of New York (as such, each a “Primary Treasury Dealer”); provided, however, that if any Reference Treasury Dealer ceases to be a Primary Treasury Dealer, the City shall substitute another Primary Treasury Dealer.

Reference Treasury Dealer Quotation

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2011B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the Valuation Date.

Refunded Notes

“Refunded Notes” means the Outstanding San José International Airport Subordinated Commercial Paper Notes, Series C, that were originally issued to finance and/or refinance the 2011B Bonds Project and that are to be refunded with a portion of the proceeds of the 2011B Bonds, as identified and set forth in the Written Request or Certificate of the City pursuant to Section A-15.04(f)(ii) hereof.

Treasury Rate

“Treasury Rate” means, with respect to any redemption date for a particular 2011B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

2011B Bonds

“2011B Bonds” means the City of San José Airport Revenue Bonds, Series 2011B (Taxable), issued on the Closing Date pursuant to the Master Agreement and that certain Eighth Supplemental Agreement dated as of December 1, 2011, between the City and the Trustee.

2011B Bonds Project

“2011B Bonds Project” means, to the extent refinanced with the proceeds of the 2011B Bonds, the costs of design, acquisition, construction, installation, equipping, financing, refinancing, reconstruction, development and modification of ancillary facilities for the Enterprise, including, without limitation, the completion of the construction of a consolidated rental car garage facility.

2011B Capitalized Interest Account

“2011B Capitalized Interest Account” means the 2011B Capitalized Interest Account established pursuant to Section A-15.04 hereof.

2011B Costs of Issuance Fund

“2011B Costs of Issuance Fund” means the 2011B Costs of Issuance Fund established pursuant to Section A-15.04 hereof.

2011B Interest Account

“2011B Interest Account” means the 2011B Interest Account established in the Interest Fund pursuant to Section A-15.04 hereof and Section 5.02(b) of the Master Agreement.

2011B Note Payment Fund

“2011B Note Payment Fund” means the 2011B Note Payment Fund established pursuant to Section A-15.04 hereof.

2011B Principal Account

“2011B Principal Account” means the 2011B Principal Account established in the Principal Fund pursuant to Section A-15.04 hereof and Section 5.02(c) of the Master Agreement.

2011B Refunding Bonds

“2011B Refunding Bonds” means any series of Additional Bonds that the City designates in a Certificate of the City as “2011B Refunding Bonds” pursuant to Section A-15.04(d)(ii) hereof.

2011B Required Reserve

“2011B Required Reserve” means an amount equal ten percent (10%) of the principal amount of the 2011B Bonds and the 2011B Refunding Bonds, if any, Outstanding as of the date of calculation.

2011B Reserve Account

“2011B Reserve Account” means the 2011B Reserve Account established pursuant to Section A-15.04(d) of Appendix A-15 to the Master Agreement.

2011B Sinking Fund Account

“2011B Sinking Fund Account” means the 2011B Sinking Fund Account established pursuant to Section A-15.07 hereof.

Valuation Date

“Valuation Date” means a Business Day not later than the third Business Day preceding the redemption date but no more than 30 calendar days prior to the redemption date.

SECTION A-15.02 Authorization and Terms of 2011B Bonds. A series of Additional Bonds to be issued under Article III of the Master Agreement is hereby created, and such Additional Bonds are designated as the “City of San José Airport Revenue Bonds, Series 2011B (Taxable).” The 2011B Bonds are designated as Taxable Bonds. As Additional Bonds, the 2011B Bonds shall be payable from General Airport Revenues on a parity with Outstanding Bonds and the 2011C Bonds, and secured by a lien upon and pledge of such General Airport Revenues equal to the lien and pledge securing the Outstanding Bonds and the 2011C Bonds, as provided in the Master Agreement. Upon the execution and delivery of the Eighth Supplemental Trust Agreement and this Appendix A-15, the City may execute and the Trustee may authenticate and, upon a Written Request of the City, deliver the 2011B Bonds in an aggregate principal amount of [] dollars (\$[2011B Par Amount]), except as may be otherwise provided in Sections 2.08 and 2.09 of the Master Agreement. The 2011B Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, so long as no 2011B Bond shall have principal maturing on more than one principal maturity date.

The 2011B Bonds shall mature on March 1 in the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Maturity Date</u> <u>(March 1)</u>		<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
20__	\$		%

The 2011B Bonds shall be dated as of their initial delivery date. Interest on the 2011B Bonds shall be first payable on [March 1, 2012], and thereafter on September 1 and March 1 in each year, computed on the basis of a 360-day year of twelve (12) 30-day months.

The principal of the 2011B Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the corporate trust office of the Trustee in San Francisco, California, or at such other place as the Trustee shall specify. The interest on the 2011B Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the close of business on the fifteenth day of the month immediately preceding an interest payment date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on such payment date to such Owner at such address as appears on such registration books. Upon the written request of an Owner of \$1,000,000 or more in principal amount of 2011B Bonds, submitted to the Trustee before the fifteenth day of the month preceding an interest payment date, interest with respect to such 2011B Bonds shall be paid by wire transfer in immediately available funds to the bank account number for such Owner on file with the Trustee. So long as Cede & Co. or its registered assigns shall be the Owner of the 2011B Bonds, payment shall be made by wire transfer of immediately available funds as required by Section 2.09 of the Master Agreement.

Each of the 2011B Bonds shall bear interest from the interest payment date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the sixteenth day of the month next preceding any interest payment date to the interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless it is authenticated on or before the fifteenth day of the month preceding the first interest payment date, in which event it shall bear interest from the date thereof; provided,

however, that if, at the time of authentication of any 2011B Bond, interest is in default on Outstanding Bonds, such 2011B Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding 2011B Bonds.

The 2011B Bonds shall be subject to redemption as provided in Section A-15.05 hereof.

The Trustee shall assign each 2011B Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the City for inspection.

The 2011B Bonds shall be initially issued as Book-Entry Bonds registered in the name of "Cede & Co.," as nominee of DTC and shall be evidenced by one 2011B Bond maturing on each maturity date, to be in a denomination corresponding to the total principal of the 2011B Bonds designated to mature on such date.

SECTION A-15.03 Form of 2011B Bonds. The 2011B Bonds and the Trustee's certificate of authentication and registration and the form of assignment to appear thereon shall be in substantially the form set forth in Appendix B-15, with necessary or appropriate variations, omissions and insertions as permitted or required by this Appendix A-15.

SECTION A-15.04 Establishment of Funds and Accounts; Application of Proceeds of 2011B Bonds. (a) As provided in Section 5.02 of the Master Agreement, the Trustee shall establish and maintain (i) a separate subaccount in the Principal Fund to be known as the "2011B Principal Account," (ii) a separate subaccount in the Interest Fund to be known as the "2011B Interest Account," and (iii) a separate subaccount in the Interest Fund to be known as the "201B Capitalized Interest Account."

(b) The Trustee shall also establish and maintain a separate fund to be known as the "2011B Note Payment Fund," for the purpose of retiring the Refunded Notes within 90 days of the date of delivery of the 2011B Bonds as directed in writing by the City.

(c) The Trustee shall also establish and maintain a separate fund to be known as the "2011B Costs of Issuance Fund." Moneys deposited in the 2011B Costs of Issuance Fund shall be used to pay the costs of issuance with respect to the 2011B Bonds upon Written Requisition of the City filed with the Trustee and executed by the Authorized Airport Representative and the Authorized Finance Representative, in substantially the form attached hereto as Exhibit A. At the end of six months from the issuance date of the 2011B Bonds, or upon earlier receipt of a Written Statement of the City executed by the Authorized Airport Representative and the Authorized Finance Representative stating that amounts in such fund are no longer required for the payment of costs of issuance, such fund shall be terminated and any moneys remaining in the 2011B Costs of Issuance Fund after the making of all payments set forth in said Written Statement shall be transferred by the Trustee to the General Revenue Fund, and the Trustee shall provide the Authorized Finance Representative and Authorized Airport Representative with notice of the date and amount of such transfer.

(d) (i) There is hereby established within the Bond Reserve Fund an account designated the "2011B Reserve Account" as provided in Section 5.02(d) of the Master Agreement. Amounts in the 2011B Reserve Account shall be available only to pay the 2011B Bonds and any Additional Bonds designated in a Certificate of the City as 2011B Refunding

Bonds pursuant to Section A-15.04(d)(ii) hereof. The 2011B Bonds and 2011B Refunding Bonds, if any, shall not have any claim on funds held in the General Account or any other account within the Bond Reserve Fund. The amount on deposit in the 2011B Reserve Account may be reduced at any time upon Written Request of the City after the maturity, defeasance or redemption of the 2011B Bonds or 2011B Refunding Bonds, if any, secured by the 2011B Reserve Account, by an amount equal to the reduction in the 2011B Required Reserve due to such maturity, defeasance or redemption of the 2011B Bonds or 2011B Refunding Bonds, but taking into account any increase in the 2011B Required Reserve as a result of the issuance of 2011B Refunding Bonds, if any, the proceeds of which will be applied, in whole or in part, to effect such defeasance or redemption.

(ii) The City may designate as “2011B Refunding Bonds” any series of Additional Bonds it issues pursuant to Section 3.02 of the Master Agreement, the proceeds of which (except for proceeds used to pay costs of issuance of, accrued interest on, and to increase funds held in the 2011B Required Reserve to satisfy the 2011B Required Reserve in connection with the issuance of, such series of Additional Bonds) are exclusively used, together with any other available moneys, if any, to pay or defease all or a portion of the Outstanding 2011B Bonds or 2011B Refunding Bonds, if any; *provided that* the City increases the funds on deposit in the 2011B Reserve Account, if and to the extent necessary, forthwith upon the receipt of the proceeds of the sale of such 2011B Refunding Bonds, to an amount at least equal to the 2011B Required Reserve, taking into account the principal amount of such 2011B Refunding Bonds. Said deposit may be satisfied from proceeds of the 2011B Refunding Bonds or any other source, as provided in the Supplemental Agreement providing for the issuance of such 2011B Refunding Bonds.

(iii) Amounts in the 2011B Reserve Account shall be invested as provided in the Master Agreement. As provided in Sections 5.02(d) and 12.02 of the Master Agreement, so long as the City is not in default under the Master Agreement, on or before the second Business Day before each Interest Payment Date, any investment earnings in the 2011B Reserve Account in excess of the 2011B Required Reserve are required to be withdrawn from the 2011B Reserve Account and transferred to the General Revenue Fund or upon Written Request of the City to any other fund or account, and any amount other than investment earnings that is released from the 2011B Reserve Account due to a decrease of the 2011B Required Reserve or the deposit of one or more Qualified Reserve Facilities, may be withdrawn from the 2011B Reserve Account and used for any lawful purpose upon Written Request of the City.

(e) Amounts in the 2011B Principal Account, the 2011B Interest Account, the 2011B Capitalized Interest Account and the 2011B Costs of Issuance Fund shall be invested as provided in the Master Agreement. Investment earnings on amounts in all such funds and accounts shall be retained in said funds and accounts.

(f) The proceeds received by the City from the sale of the 2011B Bonds shall be deposited with the Trustee, who shall forthwith set aside such proceeds in the following respective funds, as directed by and in the amounts specified in, a Written Request or Certificate of the City:

(i) The Trustee shall deposit in the 2011B Capitalized Interest Account an amount equal to the capitalized interest relating to the 2011B Bonds.

(ii) The Trustee shall deposit in the 2011B Reserve Account of the Bond Reserve Fund the amount necessary to cause the amount on deposit therein, including any Qualified Reserve Sureties held therein to be equal to the 2011B Required Reserve, as set forth in said Written Request or Certificate.

(iii) The Trustee shall deposit in the 2011B Note Payment Fund the amount set forth in said Written Request or Certificate, sufficient to provide a portion of the funds for the refunding of the Refunded Notes. The moneys in the 2011B Note Payment Fund shall be held by the Trustee in trust. On the Closing Date, the amount on deposit in the 2011B Note Payment Fund shall be invested pursuant to the provisions of the Master Agreement and said Written Request or Certificate. The amounts in the 2011B Note Payment Fund shall be applied pursuant to the Master Agreement and the Written Request or Certificate to pay the principal of the Refunded Notes. Any moneys remaining in the 2011B Note Payment Fund after the making of all payments set forth in said Written Request or Certificate shall be transferred by the Trustee to the General Revenue Fund, and the Trustee shall provide the Authorized Finance Representative and Authorized Airport Representative with notice of the date and amount of such transfer.

(iv) The Trustee shall deposit in the [Maintenance and Operation Fund / General Revenue Fund] the amount set forth in said Written Request or Certificate.

(v) The Trustee shall deposit in the 2011B Costs of Issuance Fund the amount set forth in said Written Request or Certificate.

SECTION A-15.05 Terms of Redemption of 2011B Bonds.

(a) Optional Redemption. 2011B Bonds maturing on and after March 1, 20[], shall be subject to redemption prior to their respective stated maturity dates, at the option of the City, from any source of available funds, as a whole or in part on any date on or after March 1, 20[], at a redemption price equal to 100% of the principal amount of the 2011B Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, but without premium.

(b) Optional Make Whole Redemption. Prior to March 1, 20[], the 2011B Bonds are subject to redemption prior to their respective maturities, at the option of the City, from any source of available funds, as a whole or in part from any maturities selected by the City, at the Make-Whole Redemption Price, together with interest accrued thereon to the date fixed for redemption.

(c) Mandatory Sinking Fund Redemption. The 2011B Bonds maturing on March 1, 20[] shall also be subject to mandatory sinking fund redemption in each of the years set forth below:

Sinking Fund Payment Date
(March 1)

20__

Mandatory Sinking Fund Payment

\$

*

* Maturity date

The 2011B Bonds maturing on March 1, 20[__] shall also be subject to mandatory sinking fund redemption in each of the years set forth below:

Sinking Fund Payment Date
(March 1)

20__

Mandatory Sinking Fund Payment

\$

*

* Maturity date

The 2011B Bonds maturing on March 1, 20[__] shall also be subject to mandatory sinking fund redemption in each of the years set forth below:

Sinking Fund Payment Date
(March 1)

20[]

Mandatory Sinking Fund Payment

\$

*

* Maturity date

(i) The 2011B Bonds maturing on March 1, 20[], March 1, 20[] and March 1, 20[], shall be subject to redemption prior to their stated maturity, from the 2011B Sinking Fund Account, on March 1 in each year, on a pro-rata basis as set forth in Section A-15.05(e), upon payment of the principal amount set forth above as the amount scheduled to mature in each year, plus accrued interest thereon to the date fixed for redemption, but without premium.

(ii) The principal amount of the Series 2011B Bonds required to be redeemed on any sinking fund payment date pursuant to Section A-15.05(c) hereof shall be reduced, at the option of the City, by the principal amount of any Series 2011B Bonds scheduled for redemption on such sinking fund payment date or dates, which, at least 45 days prior to the sinking fund payment date, (1) have been acquired by the City and delivered to the Trustee for cancellation, (2) have been acquired and canceled by the Trustee, at the direction of the City, or (3) have been redeemed pursuant to Section A-15.05(a) or Section A-15.05(b) and not previously credited to a scheduled mandatory sinking fund redemption. Upon such purchase or optional redemption of such Series 2011B Bonds, the Trustee shall then credit an amount equal to the principal of such 2011B Bonds so purchased or redeemed towards the sinking fund payments for the 2011B Bonds of such maturity in increments of \$5,000 or integral multiples thereof as directed by the City.

(d) Notice of Redemption. Notice of redemption of the 2011B Bonds shall be mailed to the respective registered Owners of any 2011B Bonds designated for redemption, at least twenty days but not more than sixty days prior to the redemption date; provided, however, that such notice may be mailed as late as fifteen days prior to the redemption date if such shorter notice period is permitted under the then-current guidelines of the Securities Depository or if the 2011B Bonds are no longer Book-Entry Bonds.

(e) Selection of 2011B Bonds for Redemption. (i) If less than all of the 2011B Bonds are called for redemption pursuant to Sections A-15.05(a) or A-15.05(b) hereof, the City shall designate which maturities of such 2011B Bonds are to be called for optional redemption.

(ii) If the 2011B Bonds are not Book-Entry Bonds, any redemption of less than all of a maturity of the 2011B Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum authorized denominations. The particular 2011B Bonds to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate.

(iii) If the 2011B Bonds are Book-Entry Bonds and so long as DTC or a successor securities depository is the sole registered owner of the 2011B Bonds, if less than all of the 2011B Bonds of a maturity are called for prior redemption, the particular 2011B Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures. If the Trustee does not provide the necessary information and identify the redemption as on a pro rata pass-through distribution of principal basis, the 2011B Bonds shall be selected for redemption in accordance with DTC procedures. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the 2011B Bonds will be selected for redemption in accordance with DTC procedures.

SECTION A-15.06 Required Deposits in Interest Accounts and Principal Accounts. Taking into account the amount, if any, to be deposited into the 2011B Interest Account from the 2011B Capitalized Interest Account pursuant to Section A-15.08 hereof, on or before the second Business Day before each Payment Date, the City shall deposit in the 2011B Interest Account and the 2011B Principal Account the amounts necessary to make the required

payments of interest and principal, if any, respectively, relating to the 2011B Bonds on such Payment Date.

SECTION A-15.07 2011B Sinking Fund Account. The Trustee shall establish and hold within the Principal Fund a 2011B Sinking Fund Account, which the City hereby covenants and agrees to cause to be maintained, for payment of the principal of the 2011B Bonds. The Trustee, on or before March 1 of each year in which sinking fund payments are due on any 2011B Bonds, shall deposit in the 2011B Sinking Fund Account from the Principal Fund moneys in an amount which shall be sufficient to call and redeem or to pay at maturity, as the case may be, all such 2011B Bonds (including redemption premiums thereon, if any, but excluding accrued interest thereon, which is payable from the Interest Fund).

The Trustee shall apply moneys in the 2011B Sinking Fund Account to the payment of principal of the 2011B Bonds and to the payment of mandatory sinking fund payments on 2011B Bonds when due, pursuant to the payment schedule contained in Section A-15.05(c) hereof.

All moneys in the 2011B Sinking Fund Account may be used and withdrawn by the Trustee, at the written direction of the City, at any time for the purchase of 2011B Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the City may in its discretion determine, but not to exceed the par value thereof (excluding accrued interest), and all 2011B Bonds so purchased by the Trustee shall be cancelled and delivered to the City.

SECTION A-15.08 2011B Capitalized Interest Account. The Trustee shall transfer moneys from the 2011B Capitalized Interest Account in the amounts set forth below to the 2011B Interest Account for payment of interest on the 2011B Bonds due on the dates set forth below:

<u>Payment Date</u>	<u>Amount</u>
[March 1, 2012]	\$(<input type="text"/>)
September 1, 2012	\$(<input type="text"/>)
March 1, 2013	\$(<input type="text"/>)
September 1, 2013	\$(<input type="text"/>)
March 1, 2014	\$(<input type="text"/>)

SECTION A-15.09 Validity of 2011B Bonds. The validity of the authorization and issuance of 2011B Bonds shall not be dependent on or affected in any way by any proceedings taken by the City for the improvement of the Enterprise, or by any contracts made by the City in connection therewith, or the failure to construct the Enterprise or any part thereof. The recital contained in the 2011B Bonds that the same are regularly issued pursuant to the Law shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

SECTION A-15.10 Terms of 2011B Bonds Subject to the Master Agreement. Except as in this Appendix A-15 expressly provided, every term and condition contained in the Master Agreement shall apply to this Appendix A-15 and to the 2011B 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 Appendix A-15.

This Appendix A-15 and all the terms and provisions herein contained shall form part of the Master Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Master Agreement. The Master Agreement 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 hereby.

SECTION A-15.11 Use of Depository. Notwithstanding any provision of the Master Agreement or this Appendix A-15 to the contrary, the 2011B Bonds shall be initially issued as Book-Entry Bonds. Registered ownership of such 2011B Bonds, or any portions thereof, may not thereafter be transferred except as provided in Section 2.09 of the Master Agreement.

SECTION A-15.12 Continuing Disclosure. The Director of Finance or the Assistant Director of Finance is hereby authorized and directed to agree on behalf of the City to provide annually certain financial information and operating data of the City with respect to the Enterprise and to provide notices of certain events, if material, pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, and to execute and deliver a Continuing Disclosure Certificate for the benefit of the holders and Beneficial Owners of 2011B Bonds in a form acceptable to the purchaser of such 2011B Bonds and upon the advice of the City Attorney. The Trustee shall, within ten (10) Business Days of obtaining actual knowledge of the occurrence of any of the Listed Events (with no obligation to determine the materiality thereof), contact the City, inform the Director of Finance or the Assistant Director of Finance of the event, and request that the City promptly determine (and notify the Dissemination Agent, if the Dissemination Agent is not the City, in writing) whether or not to report the event pursuant to the Continuing Disclosure Certificate. As used above, "actual knowledge" means actual knowledge at the principal corporate trust office of the Trustee by an officer of the Trustee with responsibility for matters related, to the administration of the Master Agreement.

SECTION A-15.13 Due Authorization. The City has reviewed all proceedings heretofore taken relative to the authorization of 2011B Bonds and has found, as a result of such review, and does hereby find and determine, that the City has duly and regularly complied with all applicable provisions of law and is duly authorized by law to issue the 2011B Bonds in the manner and upon the terms provided in the Master Agreement and this Appendix A-15 and that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the issuance of the 2011B Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly empowered to issue the 2011B Bonds.

SECTION A-15.14 Section Headings and References. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Appendix A-15.

All references herein to "Sections" and other subdivisions are to the corresponding Sections or subdivisions of the Master Agreement and of this Appendix A-15; and the words "herein," "hereof," "hereunder" and other words of similar import refer to the

Master Agreement, as supplemented and amended, as a whole and not to any particular Article, Section or subdivision hereof.

EXHIBIT A

REQUISITION OF THE CITY
(2011B COSTS OF ISSUANCE FUND)

City of San José Airport Revenue Bonds, Series 2011B (Taxable)
(Issue Date: [_____, 2011])

Request No.: COI-_____ (to be sequentially numbered)

The undersigned authorized representatives of the City of San José, California (the "City"), hereby request The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") under that certain Master Trust Agreement, dated as of July 1, 2001, between the City and the Trustee, as amended and supplemented by the Eighth Supplemental Trust Agreement dated as of December 1, 2011, between the City and the Trustee (collectively, the "Trust Agreement"), to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the 2011B Costs of Issuance held under the Trust Agreement.

The City hereby certifies that obligations in the amounts stated in this Requisition have been incurred by the City and are presently due and payable, and that the percentage of each item set forth on Schedule I hereto is a proper charge against the 2011B Costs of Issuance Fund, and has not been previously paid therefrom.

Dated: _____

Total Amount: \$_____

CITY OF SAN JOSE, CALIFORNIA

By: _____
Authorized Airport Representative

By: _____
Authorized Finance Representative

Exh. A-1

DRAFT--Contact the Office of the City Clerk at (408)535-1260 or CityClerk@sanjoseca.gov for final document.

SCHEDULE I
(2011B COSTS OF ISSUANCE FUND REQUISITION)

<u>PAYEE</u>	<u>PURPOSE</u>	<u>AMOUNT OF INVOICE</u>
--------------	----------------	--------------------------

\$

APPENDIX B-15

\$ _____

No. R-A-____

CITY OF SAN JOSE
AIRPORT REVENUE BOND,
SERIES 2011B (TAXABLE)

INTEREST RATE	MATURITY DATE	DATED AS OF	CUSIP NUMBER
_____ %	March 1, _____	July [], 2011	_____

Registered Owner: Cede & Co.

Principal Sum: _____ Dollars

THE CITY OF SAN JOSE, a chartered city and municipal corporation organized and existing under the Constitution and laws of the State of California (herein called the "City"), for value received, hereby promises to pay (but only out of the General Airport Revenues hereinafter referred to) to the registered owner set forth above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for), the principal sum set forth above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period from the 16th day of the month next preceding any interest payment date to and including such interest payment date, in which event it shall bear interest from such interest payment date), until payment of such principal sum, at the interest rate per annum stated above, payable on [March 1, 2012], and on March 1 and September 1 in each year. The principal (or redemption price) hereof is payable to the registered owner hereof upon the surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee of the City (herein called the "Trustee"), in San Francisco, California or such other place as the Trustee shall determine. The interest hereon is payable to the person whose name appears on the bond registration books of the Trustee as the registered owner hereof as of the close of business on the 15th day of the month immediately preceding an interest payment date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on such payment date to such registered owner at the owner's address as it appears on such registration books (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such registered owner's written request, be made by wire transfer of immediately available funds to the bank account number for such owner on file with the Trustee prior to the 15th day of the month preceding such interest payment date). So long as this Bond is registered in the name of Cede & Co. or its registered assigns, payment shall be made by wire transfer of immediately available funds. Interest on this Bond shall be calculated on the basis of a 360-day year comprising twelve 30-day months.

This Bond is one of a duly authorized issue of revenue bonds of the City designated as the "City of San José Airport Revenue Bonds, Series 2011B (Taxable)" (herein called the "Bonds"), in aggregate principal amount of \$[2011B Par Amount], and consists or may consist of Bonds of varying denominations, dates, maturities, interest rates and other provisions, all issued and to be issued under and pursuant to the provisions of Sections 200 and 1220 of the City Charter and the City of San José Airport Revenue Bond Law, Chapter 4.38 of the San José Municipal Code (herein collectively called the "Law"), and pursuant to the Master Trust Agreement, dated as of July 1, 2001 (the "Master Trust Agreement") between the City and the Trustee, as amended and supplemented by a Eighth Supplemental Trust Agreement, dated as of December 1, 2011, between the City and the Trustee (the "Eighth Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Master Trust Agreement") authorizing the issuance of the Bonds. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Master Trust Agreement. Reference is hereby made to the Master Trust Agreement and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the General Airport Revenues, as that term is defined in the Master Trust Agreement, the rights thereunder of the registered owners of the Bonds, the rights, duties and immunities of the Trustee, and the rights and obligations of the City thereunder. All the terms of the Master Trust Agreement and the Law are hereby incorporated herein and constitute a contract between the City and the owner of this Bond. By acceptance of this Bond, the owner of this Bond consents and agrees to all the provisions of the Bonds, the Master Trust Agreement and the Law. Each owner hereof shall have recourse to all of the provisions of the Law and the Master Trust Agreement and shall be bound by all of the terms and conditions thereof.

The Bonds are issued to refinance a portion of the costs of [designing, constructing, installing, equipping, financing, refinancing, reconstructing, developing and modifying of ancillary facilities for the Enterprise, including, without limitation, the completion of the construction of a consolidated rental car garage facility], to pay certain costs of issuance of the Bonds and to fund a deposit to the 2011B Reserve Account. The Bonds are special obligations of the City and are payable, as to the principal thereof, interest thereon and any premiums upon the redemption of any thereof, from General Airport Revenues (which are more particularly defined in the Master Trust Agreement). All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the General Airport Revenues, and the General Airport Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds; but nevertheless out of General Airport Revenues certain amounts may be applied for other purposes as provided in the Master Trust Agreement. Additional series of Bonds payable from the General Airport Revenues may be issued on a parity with the Bonds of this series, but only subject to the conditions and limitations contained in the Master Trust Agreement.

THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE PAYABLE SOLELY FROM GENERAL AIRPORT REVENUES, AND THE CITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM GENERAL AIRPORT REVENUES. THE GENERAL FUND OF THE CITY IS NOT LIABLE, AND THE CREDIT OR TAXING POWER OF THE CITY IS NOT PLEDGED, FOR THE PAYMENT OF THE BONDS OR THEIR INTEREST. THE BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE CITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT GENERAL AIRPORT REVENUES. THE OWNER HEREOF HAS NO RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY.

The City will, at all times while any of the Bonds remain outstanding, manage its operations and establish, fix, prescribe and collect rentals, rates, fees and charges in connection with the services and facilities furnished by the Enterprise in each Fiscal Year so that the sum of (i) Net General Airport Revenues, plus (ii) any Other Available Funds, for such Fiscal Year, after making reasonable allowances for contingencies and errors in the estimates, will be at least sufficient to pay the amounts provided in the Master Trust Agreement.

The rights and obligations of the City and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Master Trust Agreement, but no such modification or amendment shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof or reduce any premium payable upon the redemption hereof, without the consent of the owner hereof, or (2) reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Master Trust Agreement or (3) modify any of the rights or obligations of the Trustee without its written consent, all as more fully set forth in the Master Trust Agreement.

The Bonds are subject to optional redemption under the circumstances and upon the terms prescribed in the Master Trust Agreement and Eighth Supplemental Trust Agreement, which provisions are incorporated herein by reference.

As provided in the Master Trust Agreement, notice of redemption shall be mailed, not less than 20 nor more than 60 days prior to the redemption date, to the registered owner of this Bond; provided, however, that such notice may be mailed as late as 15 days prior to the redemption date if such shorter notice period is permitted under the then-current guidelines of the Securities Depository or if the Bonds are no longer Book-Entry Bonds. If this Bond is called for redemption and payment is duly provided therefor as specified in the Master Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption, except that the City shall have the option to rescind and cancel any notice of redemption at any time prior to the redemption date specified in such notice.

If an Event of Default, as defined in the Master Trust Agreement, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Master Trust Agreement, but such declaration and its consequences may be rescinded and annulled as further provided in the Master Trust Agreement.

The Bonds are issuable as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof provided that no Bond shall have principal maturing on more than one principal payment date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Master Trust Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series and maturity of other authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Trust Agreement, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations and of the same series and maturity

date, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the City and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Master Trust Agreement.

This Bond shall not be entitled to any benefit under the Master Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of San José has caused this Bond to be executed on its behalf under its official seal (facsimile or impressed), signed by the signatures (facsimile or manual) of its Director of Finance and countersigned by the signature (facsimile or manual) of its City Clerk, all as of December [], 2011.

CITY OF SAN JOSE, CALIFORNIA

(Seal)

By: _____
Director of Finance

Countersigned:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Master Trust Agreement and has been authenticated and registered as of December [], 2011.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
San Francisco, California, as Trustee

By _____
Authorized Officer

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ (Taxpayer Identification Number: _____) the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE _____

By _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED BY:

NOTICE: Signature must be guaranteed by an eligible guarantor.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
SERIES OF ADDITIONAL BONDS	2
SECTION 1.01	
Definitions	2
SECTION 1.02	
New Series of Additional Bonds – 2011B Bonds	2
SECTION 1.03	
Severability of Invalid Provisions	2
SECTION 1.04	
Effective Date of Supplemental Agreement	3
SECTION 1.05	
Governing Law	3
SECTION 1.06	
Signatures and Counterparts	3
ARTICLE II	
AMENDMENTS	3
SECTION 2.01	
Amendment of Section 12.02 – Bond Reserve Fund Valuation Procedures	3
SECTION 2.02	
Amendment of Section 4.01(b) – Redemption of Bonds From Proceeds of Eminent Domain Proceedings	4
SIGNATURES	5
APPENDIX A-15	
Issuance and Terms of the 2011B Bonds	A-15-1
SECTION A-15.01	
Definitions	A-15-1
SECTION A-15.02	
Authorization and Terms of 2011B Bonds	A-15-4
SECTION A-15.03	
Form of 2011B Bonds	A-15-6
SECTION A-15.04	
Establishment of Funds and Accounts; Application of Proceeds of 2011B Bonds	A-15-6
SECTION A-15.05	
Terms of Redemption of 2011B Bonds	A-15-8
SECTION A-15.06	
Required Deposits in Interest Accounts and Principal Accounts	A-15-10
SECTION A-15.07	
2011B Sinking Fund Account	A-15-11
SECTION A-15.09	
Validity of 2011B Bonds	A-15-11
SECTION A-15.10	
Terms of 2011B Bonds Subject to the Master Agreement ...	A-15-11
SECTION A-15.11	
Use of Depository	A-15-12
SECTION A-15.12	
Continuing Disclosure	A-15-12
SECTION A-15.13	
Due Authorization	A-15-12
SECTION A-15.14	
Section Headings and References	A-15-12
APPENDIX B-15	
CITY OF SAN JOSE AIRPORT REVENUE BOND, SERIES 2011B (TAXABLE)	B-15-1