

RESOLUTION NO. 73590

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF FINANCE TO NEGOTIATE AND EXECUTE THE AMENDED AND RESTATED LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT AMONG THE CITY OF SAN JOSE, JPMORGAN CHASE BANK, CITIBANK, BANK OF AMERICA AND DEXIA CREDIT LOCAL, RELATING TO THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT SUBORDINATED COMMERCIAL PAPER NOTES, INCREASING THE MAXIMUM STATED AMOUNT FROM \$200 MILLION TO \$450 MILLION AND REMOVING THE \$35 MILLION CAP ON THE SERIES C LETTER OF CREDIT MAXIMUM STATED AMOUNT

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 (“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 Enterprise on a subordinate lien basis to the Airport revenue bonds issued and outstanding under the Master Bond Resolution; and

WHEREAS, the City Council adopted Resolution No. 69200 authorizing the issuance of not to exceed \$100,000,000 of the City’s San José International Airport Subordinated Commercial Paper Notes (the “Notes”), consisting of Series A Notes (the “Series A Notes”), Series B Notes (the “Series B Notes”) and Series C Notes (the “Series C Notes”); 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, in order to provide for the payment of the Notes, the City entered into an initial Letter of Credit and Reimbursement Agreement dated as of November 1, 1999, with JPMorgan Chase Bank, National Association (successor to Morgan Guaranty Trust Company of New York) (the "Bank"), pursuant to which the Bank has extended irrevocable, direct-pay letters of credit to the Issuing and Paying Agent for the account of the City; and

WHEREAS, in connection with an increase in the maximum authorized amount of Notes from \$100,000,000 to \$200,000,000, the City entered into a First Amendment to Letter of Credit and Reimbursement Agreement dated June 30, 2006 with the Bank; and

WHEREAS, in connection with a further increase in the maximum authorized amount of Notes from \$200,000,000 to \$450,000,000, the City has determined to enter into an Amended and Restated Letter of Credit and Reimbursement Agreement with the Bank and with Citibank N.A., Bank of America, N.A., and Dexia Credit Local, acting through its New York Branch (the "Additional Banks") in order to increase the Maximum Stated Amount (as defined in said Agreement) from \$200,000,000 to \$450,000,000, to provide for the Bank and the Additional Banks to extend, on a several basis, irrevocable, direct-pay letters of credit supporting the Notes, and to remove the \$35,000,000 cap on the stated amount of the letter of credit applicable to the Series C Notes;

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

Section 1. All of the above recitals are true and correct and this Council hereby so finds and determines.

Section 2. The Director of Finance of the City or the authorized designee of the Director of Finance is each hereby authorized to negotiate, execute and deliver the "Amended and Restated Letter of Credit and Reimbursement Agreement" (the "Reimbursement Agreement"), by and among the City, the Bank (individually and as agent for the banks named in the Reimbursement Agreement) and the Additional Banks, as banks, providing for an increase of the Maximum Stated Amount from \$200,000,000 to \$450,000,000, and removing the \$35,000,000 cap on the stated amount of the letter of credit applicable to the Series C Notes.

Section 3. All actions heretofore taken by the officers and agents of the City with respect to the preparation, execution and delivery of the Reimbursement Agreement 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 Director of Finance of the City 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, arbitrage bond certificates and tax certificates necessary and desirable to accomplish the transactions set forth above.

Section 4. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any remaining provisions hereof.

Section 5. This Resolution shall take effect from and after its adoption.

ADOPTED this 9th day of January, 2007, by the following vote:

AYES: CAMPOS, CHIRCO, CONSTANT, CORTESE, LICCARDO,
NGUYEN, PYLE, WILLIAMS; REED

NOES: NONE

ABSENT: NONE

DISQUALIFIED: NONE

VACANT: DISTRICT 4, DISTRICT 6

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk

CITY CLERK'S CERTIFICATE

I, Lee Price, 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 9, 2007 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: Campos, Chirco, Constant, Cortese, Liccardo, Nguyen, Pyle, Williams; Reed

Noes: None

Absent: None

Disqualified: None

Vacant: District 4, District 6

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: January 10, 2007.

LEE PRICE, MMC, City Clerk of the City of
San José, California