

RESOLUTION NO. 75627

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER, THE DIRECTOR OF FINANCE OR THEIR AUTHORIZED DESIGNEES TO NEGOTIATE, EXECUTE AND DELIVER AN AMENDMENT TO THE SECOND AMENDED AND RESTATED LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT BY AND AMONG THE CITY, JPMORGAN CHASE BANK, N.A., BANK OF AMERICA, N.A. AND DEXIA CREDIT LOCAL, ACTING THROUGH ITS NEW YORK BRANCH AND THE ASSOCIATED FEE LETTER RELATED TO THE CITY OF SAN JOSE AIRPORT COMMERCIAL PAPER PROGRAM, AND TO AUTHORIZE OTHER RELATED ACTIONS THERETO

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. 74300 authorizing the issuance of not to exceed \$600,000,000 of the City's San José International Airport Subordinated Commercial Paper Notes (combined principal amount and interest thereon) consisting of the Series A Notes, Series B Notes and Series C Notes and the Series D Notes, Series E Notes and Series F Notes; and

WHEREAS, the City Council subsequently adopted Resolution No. 75100 to amend Resolution No. 69200, as previously amended, to redesignate the Series A Notes as the Series A-1 Notes and the Series A-2 Notes (collectively, the Series A Notes, and together with the Series B Notes and the Series C Notes, the "Notes"); and

WHEREAS, the City has entered into an Amended and Restated Issuing and Paying Agent Agreement, dated as of September 1, 2009 (the "Issuing and Paying Agent Agreement"), with Deutsche Bank Trust Company Americas, the successor issuing and paying agent (the "Issuing and Paying Agent"); and

WHEREAS, to provide for the payment of the Notes, the City has entered into a Second Amended and Restated Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement") with JPMorgan Chase Bank, National Association (successor to Morgan Guaranty Trust Company of New York), individually and as agent ("JPMorgan"), Bank of America, N.A. ("BofA") and Dexia Credit Local, acting through its New York Branch ("Dexia") (collectively, the "Existing Banks"), pursuant to which the Existing Banks have extended irrevocable, direct-pay letters of credit (the "Existing Letters of Credit") to the Issuing and Paying Agent for the account of the City; and

WHEREAS, the Existing Letters of Credit will expire on December 2, 2010, and the City wishes to extend the term of the Existing Letters of Credit in order to provide the City with additional time to negotiate one or more agreements with JPMorgan, BofA and/or other banks to provide for credit support for the Notes; and

WHEREAS, the Existing Banks and the City desire to enter into a First Amendment to the Reimbursement Agreement (the "First Amendment") in order to (a) remove Dexia as a party; (b) extend the term of the Reimbursement Agreement and the Existing Letters of Credit to February 2, 2011; (c) reduce the amount of available credit under the Existing Letters of Credit from \$450,000,000 to \$283,320,000; and (d) revise various other terms and conditions of the Reimbursement Agreement and the Existing Letters of Credit; and

WHEREAS, JPMorgan, BofA and the City will also enter into a Fee Letter related to the City's payment of various fees to JPMorgan and BofA in consideration of the extension of the term of the Reimbursement Agreement and the Existing Letters of Credit (the "Fee Letter");

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

Section 1. The City Manager, the Director of Finance of the City or any of the their authorized designees, each acting alone (collectively, the "Authorized Officers"), is authorized hereby to negotiate, execute and deliver the First Amendment and the Fee Letter as both are described in the memorandum to this Council from the Director of Finance, dated October 26, 2010, with such additions, changes and corrections therein as are necessary and desirable to effect the extension of the Reimbursement Agreement and the Existing Letters of Credit, as an Authorized

Officer, after consulting with the City Attorney, shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The Authorized Officers, each acting alone, are further authorized hereby to negotiate, execute and deliver additional future amendments to the Reimbursement Agreement as amended by the First Amendment (the "Amended Reimbursement Agreement"), under the same terms and conditions, and the Fee Letter in order to approve extensions of the Commitment Expiration Date and the Letter of Credit Expiration Date (as such terms are defined in the Amended Reimbursement Agreement) provided that the annual fees payable by the City under the Amended Reimbursement Agreement, as so amended by any such additional future amendment, do not exceed 2.25% per annum of the Maximum Stated Amount (as defined in the Amended Reimbursement Agreement).

Section 3. All actions heretofore taken by the officers and agents of the City with respect to the preparation, execution and delivery of the First Amendment and the Fee Letter 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. Without limiting the foregoing, 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 and no-default certificates, necessary and desirable to accomplish the transactions set forth above.

Section 4. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 9th day of November, 2010, by the following vote:

AYES: CHIRCO, CHU, CONSTANT, HERRERA, KALRA,
LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CAMPOS.

DISQUALIFIED: NONE.



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 November 9, 2010 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: CHIRCO, CHU, CONSTANT, HERRERA, KALRA, LICCARDO, NGUYEN,
OLIVERIO, PYLE; REED.

Noes: NONE.

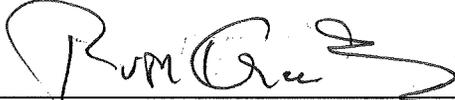
Absent: CAMPOS.

Disqualified: NONE.

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: 11/10-10, 2010.



City Clerk of the City of San José, California