

RESOLUTION NO. ____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER, THE DIRECTOR OF FINANCE, THE ASSISTANT DIRECTOR OF FINANCE OR THEIR AUTHORIZED DESIGNEES TO NEGOTIATE, EXECUTE AND DELIVER A LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT WITH BANK OF AMERICA, N.A. AND THE ASSOCIATED FEE LETTER; A FIRST AMENDMENT TO THIRD AMENDED AND RESTATED ISSUING AND PAYING AGENT AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION; AND AMENDED AND RESTATED DEALER AGREEMENTS WITH EACH OF BARCLAYS CAPITAL INC. AND CITIGROUP GLOBAL MARKETS INC., ALL RELATED TO THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT COMMERCIAL PAPER PROGRAM, TO ISSUE COMMERCIAL PAPER NOTES 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 Mellon 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. 75693 authorizing the issuance of the City’s San José International Airport Subordinated Commercial Paper Notes in several series, including the Series A Notes, the Series B Notes (the “Series B Notes”) and the Series C Notes (collectively, the “Notes”); and

WHEREAS, the City has previously entered into the Third Amended and Restated Issuing and Paying Agent Agreement, dated as of February 1, 2014 (the “Existing Issuing and Paying Agent Agreement”), with U.S. Bank National Association, as the successor issuing and paying agent to Deutsche Bank Trust Company Americas (the “Issuing and Paying Agent”), which amended and restated the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of January 1, 2011, which amended and restated the Issuing and Paying Agent Agreement, dated as of November 1, 1999, as amended and supplemented and as previously amended and restated; and

WHEREAS, the City has entered into separate Third Amended and Restated Dealer Agreements with each of Barclays Capital Inc. and Citigroup Global Markets Inc., as dealers (collectively, the “Dealers”) for the Notes; and

WHEREAS, the Notes are currently outstanding in the aggregate principal amount of \$4,500,000; and

WHEREAS, the City desires to reaffirm its authorization of the Notes, to be issued from time to time in an aggregate principal amount not to exceed \$600,000,000; and

WHEREAS, the City desires now to issue Series B Notes to finance and refinance the costs of certain capital projects in connection with the Airport; and

WHEREAS, a notice of public hearing with respect to the Series B Notes to be issued by the City was published not less than fourteen (14) days prior to said public hearing, in a newspaper of general circulation available to the residents of the City; and

WHEREAS, a public hearing was held pursuant to such notice before this Council on the date hereof, and an opportunity was provided for interested persons to present arguments for and against the issuance of the Series B Notes to finance capital project costs described in the notice of public hearing; and

WHEREAS, the letter of credit issued by Barclays Bank PLC currently providing credit support for the Notes (the "Existing Letter of Credit") will expire on February 8, 2019; and

WHEREAS, the City and Bank of America, N.A. (the "Bank"), desire to enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement") pursuant to which the Bank will provide a transferable direct-pay letter of credit (the "Letter of Credit") in support of the Notes to replace the Existing Letter of Credit (the "Substitution"); and

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

WHEREAS, in connection with the Reimbursement Agreement and Letter of Credit, the City and the Issuing and Paying Agent will enter into a First Amendment to Third Amended and Restated Issuing and Paying Agent Agreement (the "First Amendment to Third Amended and Restated Issuing and Paying Agent Agreement"), and the City and each Dealer for the Notes will enter into separate Fourth Amended and Restated Dealer Agreements (the "Restated Dealer Agreements");

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

Section 1. The Council hereby reaffirms its authorization of the Notes, in an aggregate principal amount not to exceed \$600,000,000, to be issued from time to time, including hereby authorizing the issuance of the Series B Notes, in an aggregate principal amount not to exceed \$600,000,000, to finance and refinance the costs of certain capital projects in connection with the Airport.

Section 2. The form of the First Amendment to Third Amended and Restated Issuing and Paying Agent Agreement, by and between the City and the Issuing and Paying Agent, amending 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 Director of Finance of the City, the Assistant Director of Finance of the City, or any of the City Manager's, the Director's or the Assistant Director's authorized designees, each acting alone (collectively, the "Authorized Officers"), is authorized hereby to execute and deliver the First Amendment to Third 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 an Authorized Officer, after consulting with the City Attorney's Office and the Airport Department, shall determine are necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. (a) The form of Reimbursement Agreement as posted on the City's agenda webpage and related Fee Letter, each by and between the City and the Bank, providing for the issuance by the Bank of an irrevocable, transferable direct-pay letter of credit to secure timely payment of the Notes in a stated amount of \$75,000,000 plus required interest coverage on the Notes, and providing for the security and repayment to the Bank of funds advanced thereunder on the City's behalf, plus interest thereon and fees in connection therewith, are hereby approved. The Authorized Officers are authorized hereby to execute and deliver the Reimbursement Agreement and the Fee Letter in substantially the 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 and the Airport Department, 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 such substitute or additional letter of credit bank or banks, and to approve the assignment of any of the Bank's 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 3(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 and the Airport Department, shall require or

approve, such approval to be conclusively evidenced by the execution and delivery of such substitute reimbursement agreement.

(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 the Bank currently providing credit support pursuant to the Reimbursement Agreement and the Letter of Credit other commercial banks having at the time of the substitution short-term ratings in at least the "A-2", "P-2" and/or "F2" rating categories, 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 one or more extensions of the Letter of Credit Expiration Date (as such term is defined in the Reimbursement Agreement) on substantially the same terms and conditions in the Reimbursement Agreement approved hereby, provided that the total compensation payable by the City under the Reimbursement Agreement does not exceed 1.00% per annum of the Stated Amount (as defined in the Reimbursement Agreement).

Section 4. (a) The form of Restated Dealer Agreement with respect to the 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 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 and the Airport Department, 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 and the Airport Department, shall require or approve, such approval to be conclusively evidenced by the execution and delivery of such substitute commercial paper dealer agreements; provided, however, that the compensation paid to such substitute commercial paper dealers shall not increase.

Section 5. 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, the issuance of Notes, the Substitution, 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, including but not limited to, assisting in the preparation of a commercial paper offering memorandum or amendment of or supplement to the commercial paper offering memorandum relating to the Notes. 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 6. This Resolution shall take effect immediately upon its adoption.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

CITY CLERK'S CERTIFICATE

The undersigned 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 August 28, 2018 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.

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:

City Clerk of the City of San José, California