

**SECOND AMENDED AND RESTATED FEE LETTER**  
**DATED AS OF [\_\_\_\_\_], 2018**

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of November 1, 2012, as amended by the First Amendment to Reimbursement Agreement dated September 30, 2015 (collectively, “*Agreement*”), between THE CITY OF SANTA CLARA (the “*Applicant*”) and MUFG BANK, LTD. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.), acting through its New York Branch (the “*Bank*”), relating to the Applicant’s Variable Rate Demand Electric Bonds, Series 2008 B (the “*Bonds*”), (ii) that certain Irrevocable Transferrable Letter of Credit dated November 1, 2012, issued pursuant to the Agreement, supporting the Bonds, and (iii) that certain Amended and Restated Fee Letter dated as of September 30, 2015 (the “*Existing Fee Letter*”), by and between the Bank and the Applicant. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

In connection with the execution and delivery of the Second Amendment to Reimbursement Agreement dated [\_\_\_\_\_], 2018, between the Applicant and the Bank, to be delivered concurrently herewith, the Applicant and the Bank have agreed to make certain modifications to the Existing Fee Letter, and, for the sake of clarity and convenience, the Bank and the Applicant wish to amend and restate the Existing Fee Letter in its entirety, and this Second Amended and Restated Fee Letter shall amend and restate the Existing Fee Letter in its entirety. The purpose of this Second Amended and Restated Fee Letter is to confirm the agreement between the Bank and the Applicant with respect to, among other things, the Facility Fees (as defined below) and certain other fees payable to the Bank. This Second Amended and Restated Fee Letter is the Fee Letter referenced in the Agreement.

**ARTICLE I. FEES AND OTHER AGREEMENTS.**

*Section 1.1. Facility Fees.* The Applicant hereby agrees to pay to the Bank on January 1, 2013, for the period commencing on the Closing Date and ending on December 31, 2012, and quarterly in arrears on the first Business Day of each April, July, October and January occurring thereafter to the Termination Date, and on the Termination Date, a non-refundable facility fee in an amount equal to the rate per annum associated with the Rating (as defined below) as specified below (the “*Facility Fee Rate*”) on the Gross Available Amount (the “*Facility Fees*”) during each related period.

(i) For the period commencing on the Closing Date, to and including October 30, 2015, the Facility Fee Rate for such period shall be determined in accordance with the pricing matrix below:

LEVEL	S&P RATING	FITCH RATING	FACILITY FEE RATE
Level 1	A+	A+	0.60%
Level 2	A	A	0.65%
Level 3	A-	A-	0.75%
Level 4	BBB+	BBB+	1.75%

LEVEL	S&P RATING	FITCH RATING	FACILITY FEE RATE
Level 5	BBB	BBB	2.25%
Level 6	below BBB	below BBB	3.75%

(ii) For the period commencing on October 31, 2015, and at all times thereafter, the Facility Fee Rate for such period shall be determined in accordance with the pricing matrix below:

LEVEL	S&P RATING	FITCH RATING	FACILITY FEE RATE
Level 1	A+	A+	0.40%
Level 2	A	A	0.45%
Level 3	A-	A-	0.55%
Level 4	BBB+	BBB+	1.55%
Level 5	BBB	BBB	2.05%
Level 6	below BBB	below BBB	3.55%

The term “*Rating*” as used above shall mean the level set forth above corresponding to the lowest rating assigned by S&P or Fitch, as applicable, to any unenhanced indebtedness of the Applicant secured by Adjusted Net Revenues on parity with or senior to the Bonds (the “*Parity Debt*”). In the event of a split rating (*i.e.*, the rating of one Rating Agency corresponds to a different Level than the rating of the other Rating Agency), the Facility Fee Rate shall be based upon the lowest Level (*i.e.*, the Level in which the lowest Rating appears). Any change in the Facility Fee Rate resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in the relevant rating by the applicable Rating Agency. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. Upon the occurrence and during the continuance of an Event of Default (except in the case of an Event of Default specified in Section 6.1(j) of the Agreement), the Facility Fee Rate shall be increased by an additional 1.50% from the Facility Fee Rate otherwise in effect. In the event that any rating is suspended or withdrawn by any Rating Agency (other than as result of an administrative error acknowledged as such in writing by the applicable Rating Agency), the Facility Fee Rate shall increase immediately to the Facility Fee Rate set forth above in Level 6. The Facility Fees shall be based upon a year of 360 days, and the actual number of days elapsed. Interest on the Facility Fees shall accrue from the date payment is due until payment in full at the Base Rate from time to time in effect plus two percent (2.00%), payable on demand.

*Section 1.2. Draw Fees.* The Applicant hereby agrees to pay a non-refundable drawing fee of \$250 to the Bank for each drawing under the Letter of Credit, payable on the date of each such drawing.

*Section 1.3. Amendment, Waiver or Consent Fees.* The Applicant hereby agrees to pay to the Bank on the date any amendment, waiver or consent to the Agreement or any other Related Document is entered into between the parties thereto, a non-refundable amendment, waiver or consent fee of \$5,000 plus the reasonable fees and expenses of any legal counsel retained by the Bank in connection therewith.

*Section 1.4. Transfer Fee.* The Applicant hereby agrees to pay to the Bank on the date of each transfer of the Letter of Credit to a successor Trustee under the Indenture, a non-refundable transfer fee of \$5,000 plus the reasonable fees and expenses of any legal counsel retained by the Bank in connection therewith.

*Section 1.5. Termination and Reduction Fee.* (a) Pursuant to Section 2.12 of the Agreement, the Applicant agrees not to terminate or replace the Agreement or the Letter of Credit prior to the Stated Expiration Date, except upon the payment by the Applicant to the Bank of a termination fee in an amount equal to the difference between (i) the product of (A) the Facility Fee Rate in effect pursuant to Section 1.1 hereof on the date of termination, (B) the Gross Available Amount on the date hereof, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the Stated Expiration Date, and the denominator of which is 360, and (ii) any amounts previously paid pursuant to either Sections 1.1 or 1.5(b) hereof (the "*Termination Fee*"), plus any Obligations due and owing under the Agreement, payable on the date the Agreement or the Letter of Credit is terminated or replaced.

(b) Pursuant to Section 2.12 of the Agreement, the Applicant agrees not to permanently reduce the Gross Available Amount prior to the Stated Expiration Date, except upon the payment by the Applicant to the Bank in connection with each and every permanent reduction of a reduction fee in an amount equal to the product of (i) the Facility Fee Rate in effect pursuant to Section 1.1 hereof on the date of such reduction, (ii) the difference between the Gross Available Amount prior to such reduction and the Gross Available Amount after such reduction, and (iii) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the Stated Expiration Date, and the denominator of which is 360 (the "*Reduction Fee*"), plus any Obligations due and owing under the Agreement, payable on the date the Gross Available Amount is reduced.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Out-of-Pocket Expenses.* The Applicant shall pay promptly, upon receipt of invoice, any and all reasonable fees and expenses of the Bank (including the fees and expenses of domestic counsel to the Bank incurred in connection with the preparation, execution and delivery of this Agreement). The reasonable fees and expenses of domestic counsel to the Bank shall be paid directly to Chapman and Cutler LLP in accordance with the instructions provided by Chapman and Cutler LLP.

*Section 2.2. Amendments.* No amendment to this Second Amended and Restated Fee Letter shall become effective without the prior written consent of the Applicant and the Bank.

*Section 2.3. Governing Law.* THIS SECOND AMENDED AND RESTATED FEE LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES; PROVIDED, HOWEVER THAT THE AUTHORITY OF THE APPLICANT TO ENTER INTO THIS FEE LETTER AND THE OBLIGATIONS OF THE APPLICANT HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Second Amended and Restated Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

*Section 2.5. Severability.* Any provision of this Second Amended and Restated Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. Invoicing.* The Bank shall use commercially reasonable efforts to provide the Applicant with an electronic invoice for the Facility Fees at least 30 days prior to the due date thereof; provided, however, that no failure on the part of the Bank to do so shall affect or impair the obligations of the Applicant hereunder, and the Applicant shall remain obligated to pay any additional Facility Fees during the related period that may arise as a result of an increase in the Facility Fee Rate after the date of such invoice.

*[Remainder of page intentionally left blank]*

*Section 2.7. Second Amended and Restated Fee Letter.* This Second Amended and Restated Fee Letter amends and restates in its entirety the Existing Fee Letter. Reference to this specific Second Amended and Restated Fee Letter need not be made in any agreement, document, instrument, letter, certificate, the Agreement, the Existing Fee Letter itself, or any communication issued or made pursuant to or with respect to the Existing Fee Letter, any reference to the Existing Fee Letter being sufficient to refer to the Existing Fee Letter as amended and restated hereby, and more specifically, any and all references to the “Fee Letter” in the Agreement shall mean this Second Amended and Restated Fee Letter.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amended and Restated Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of this \_\_ day of [\_\_\_\_\_], 2018.

CITY OF SANTA CLARA, CALIFORNIA,  
a chartered California municipal corporation

By: \_\_\_\_\_  
DEANNA J. SANTANA  
City Manager

MUFG BANK, LTD. (formerly known as The  
Bank of Tokyo-Mitsubishi UFJ, Ltd.), acting  
through its New York Branch)

By: \_\_\_\_\_  
Name: Leora Lipton  
Title: Vice President