

RESOLUTION NO. _____

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE REISSUANCE OF TAX-EXEMPT REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$48,250,000 FOR THE PURPOSE OF REFINANCING THE COST OF ACQUIRING, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF VALLEY CHRISTIAN SCHOOLS AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, the Valley Christian Schools, a California nonprofit religious corporation (together with any affiliate thereof or successor thereto, the “School”), has requested that the California Enterprise Development Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the “Authority”) to reissue its tax-exempt revenue obligations issued pursuant to that certain Loan Agreement, dated as of June 1, 2017, by and among First Republic Bank, California Enterprise Development Authority and the School (hereinafter referred to as, the “2017 Obligations”); and

WHEREAS, the 2017 Obligations were issued in an aggregate principal amount of \$48,250,000 for the benefit of the School, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the “Act”), for the purpose of (a) financing, refinancing or reimbursing the School for (i) the construction, installation and equipping of elementary school buildings and playground and parking improvements located at 1500 Leigh Avenue, San Jose, California, and a high school baseball stadium and field and various improvements, and (ii) the acquisition, construction, installation, improvement, renovation, furnishing and equipping of a junior high school and high school campus owned by the Borrower located at 100 Skyway Drive, San Jose, California, and an acquisition of approximately 11.37 acres of land

immediately adjacent thereto (collectively, the “Facilities”) and (b) paying certain financing costs and costs of issuance in connection with the issuance of the 2017 Obligations; and

WHEREAS, the School is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and owns and operates the Facilities in connection with its mission; and

WHEREAS, the City of San José (the “City”) is an associate member of the Authority; and

WHEREAS, the reissuance of the 2017 Obligations shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party; and

WHEREAS, the Facilities are located wholly within the City; and

WHEREAS, the interest on the reissued 2017 Obligations may qualify for tax exemption under Section 103 of the Code, only if the reissued 2017 Obligations are approved in accordance with Section 147(f) of the Code; and

WHEREAS, the City Council of the City (the “Council”) is the elected legislative body of the City and is the applicable elected representative required to approve the issue within the meaning of Section 147(f) of the Code; and

WHEREAS, the Authority has requested the Council to approve the reissuance of the 2017 Obligations in order to satisfy the public approval requirements of Section 147(f) of the Code; and

WHEREAS, on September 4, 2020, the City caused a notice to appear in *The Mercury News*, which is a newspaper of general circulation in the city of San José, stating that a public hearing with respect to the reissuance of the 2017 Obligations would be held by the Council on September 15, 2020; and

WHEREAS, the Council held the public hearing described above on September 15, 2020, and an opportunity was provided for persons to comment on the reissuance of the 2017 Obligations and the financing and refinancing of the Facilities; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code; *provided, however*, that this Resolution is neither intended to nor shall it constitute an approval by the Council for any other purpose;

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

SECTION 1. The City Council hereby finds and determines that all of the foregoing recitals are true and correct.

SECTION 2. The Council, as the “applicable elected representative” of the governmental unit on behalf of which the reissuance of the 2017 Obligations will be issued and having jurisdiction over the area in which the Facilities are located, hereby approves the reissuance of the 2017 Obligations by the Authority, which reissued 2017 Obligations may be tax-exempt and/or taxable as approved by the Authority in its resolution, in an amount not to exceed Forty Eight Million Two Hundred Fifty Thousand Dollars (\$48,250,000) to refinance the costs of the Facilities. This resolution shall constitute “issuer” approval and “host” approval of the reissuance of the 2017 Obligations within the meaning of Section 147(f) of the Code and shall constitute the approval of the reissuance

of the 2017 Obligations within the meaning of the Act; provided, however, that this Resolution shall not constitute an approval by the Council for any other purposes, nor does it constitute an approval of the underlying credit or financial structure of the reissued 2017 Obligations. The City shall not bear any responsibility or liability for the reissuance of the 2017 Obligations, the tax-exempt status of the reissued 2017 Obligations, the repayment of the reissued 2017 Obligations or any other matter related to the reissued 2017 Obligations.

SECTION 3. All actions heretofore taken by the officers, employees and agents of the City with respect to the approval of the reissuance of the 2017 Obligations are hereby approved, confirmed and ratified, and the officers and employees of the City and their authorized deputies and agents are hereby authorized and directed to do any and all things and to execute and deliver any and all certificates and documents which they upon consultation with the City Attorney may deem necessary or advisable in order to consummate the reissuance of the 2017 Obligations and otherwise to effectuate the purposes of this Resolution.

SECTION 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing for the Facilities; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of the Facilities; or (iii) make any contribution or advance any funds whatsoever to the Authority.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

ADOPTED this ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk