

CITY OF SAN JOSE FINANCING AUTHORITY
RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SAN JOSE FINANCING AUTHORITY DIRECTING THE EXECUTIVE DIRECTOR OR THE TREASURER OF THE AUTHORITY OR THEIR AUTHORIZED DESIGNEES TO TAKE THE NECESSARY ACTIONS TO EFFECTUATE THE TRANSFER OF THE HAYES MANSION PROPERTY TO THE CITY OF SAN JOSE IN CONJUNCTION WITH THE SALE OF THE PROPERTY TO JMA VENTURES, LLC AND TO APPLY THE SALE PROCEEDS AND DEBT SERVICE FUNDS AND OTHER FUNDS ON HAND RELATED TO THE CITY OF SAN JOSE FINANCING AUTHORITY LEASE RESERVE BONDS SERIES 2008C AND SERIES 2008D (HAYES MANSION REFUNDING PROJECT) TO RETIRE THESE OUTSTANDING BONDS AND REPEALING RESOLUTION NO. 129

WHEREAS, the City of San José (“City”) and the former Redevelopment Agency of the City of San José entered into a Joint Exercise of Powers Agreement establishing the City of San José Financing Authority (“Authority”) for the purpose, among others, of having the Authority issue its instruments of debt to finance and refinance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, the Authority has heretofore determined to adopt and implement a program under which the Authority will provide financing and refinancing for certain public capital improvements; and

WHEREAS, on June 26, 2008, pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code and an Indenture of Trust dated as of June 1, 2008, between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the Authority issued its \$10,915,000 initial aggregate principal amount of City of San José Financing Authority

Lease Revenue Bonds, Series 2008C (Hayes Mansion Refunding Project) (the “Series 2008C Bonds”) and its \$47,390,000 initial aggregate principal amount of City of San José Financing Authority Taxable Lease Revenue Bonds, Series 2008D (Hayes Mansion Refunding Project) (the “Series 2008D Bonds” and, together with the Series 2008C Bonds, the “Series 2008C/D Bonds”) in order to refinance the costs of certain improvements to the Hayes Mansion Conference Center, referred to in this Resolution as the Hayes Mansion Property, and the acquisition and construction of a public parking facility and certain park improvements; and

WHEREAS, in order to facilitate the financing of the improvements to the Hayes Mansion Property through the Authority’s issuance of lease revenue bonds prior to the issuance of the Authority’s Series 2008C/D Bonds, the Authority obtained title to the Hayes Mansion Property; and

WHEREAS, in connection with the issuance of the Series 2008C/D Bonds, the Authority and the City entered into a Project Lease, dated as of June 1, 2008, as subsequently amended, under which the Authority leases the Hayes Mansion Property to the City in exchange for lease payments which are the Authority’s source of repayment on the Series 2008C/D Bonds; and

WHEREAS, on December 10, 2013, the Authority and the City each adopted a resolution to authorize the Authority to sell all the outstanding Series 2008C/D Bonds in a private placement sale to U.S. Bank National Association (the “Bank Bond Purchaser”), and in connection with the sale of the Series 2008C/D Bonds to the Bank Bond Purchaser, authorized the Authority and the City to enter into a Continuing Covenant Agreement (the “Continuing Covenant Agreement”) with the Bank Bond Purchaser; and

WHEREAS, in order to convert the Series 2008C/D Bonds to a new Index Rate Mode and to meet the conditions for the purchase of the Series 2008C/D Bonds by the Bank Bond Purchaser, the Authority amended and restated the Indenture pursuant to an Amended and Restated Indenture of Trust, as subsequently amended (the “Amended and Restated Indenture”) between the Authority and the Trustee, and the Authority and the City amended certain terms of the Project Lease, dated as of June 1, 2008 (the “Project Lease”), between the Authority and the City pursuant to a First Amendment to Project Lease between the Authority and the City; and

WHEREAS, the Project Lease provides that the City may prepay its lease payments to the Authority and that upon the City’s prepayment of the lease payments, as well as any other payments owed by the City under the Project Lease, title to the Hayes Mansion Property will transfer from the Authority to the City and the Authority will execute the necessary documents to transfer title to the City; and

WHEREAS, on this same date, in order to facilitate the proposed sale of the Hayes Mansion Property to JMA Ventures, LLC, the City Council declared the Hayes Mansion Property as surplus to its needs in advance of the transfer of title to the Hayes Mansion Property from the Authority to the City; and

WHEREAS, the Authority and the City now desire to apply the sale proceeds of the Hayes Mansion Property, the Debt Service Reserve Funds held by the Trustee and other funds on hand related to the Series 2008C/2008D Bonds to retire the outstanding Series 2008C/D Bonds and any other eligible bonds of the Authority, as directed by City Council; and

WHEREAS, the Governing Board of the Authority has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the City of San José Financing Authority that:

1. The Executive Director or the Treasurer of the Authority or their authorized designees, each acting alone, (the “Designated Officers”) is directed to take the necessary actions to effectuate the transfer of the Hayes Mansion Property to the City in conjunction with its sale to JMA Ventures, LLC and to apply the sale proceeds of the Hayes Mansion Property, the Debt Service Funds held by the Trustee and any other funds on hand related to the Series 2008C/D Bonds to retire the outstanding Series 2008C/D Bonds.

2. The Designated Officers, the Secretary of the Authority and any and all other officers of the Authority, including officers of the City designed by the Designated Officers to act on behalf of the Authority, are hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute and deliver any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in connection with the sale of the Hayes Mansion Property and the redemption of the Series 2008C/D Bonds.

3. Resolution No. 129 is hereby repealed.

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

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Chair, City of San José
Financing Authority

ATTEST:

TONI J. TABER, CMC
Secretary, City of San José
Financing Authority