

CITY OF SAN JOSE FINANCING AUTHORITY
RESOLUTION NO. _____

**A RESOLUTION OF THE GOVERNING BOARD OF THE
CITY OF SAN JOSE FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE AND SALE OF LEASE
REVENUE BONDS, SERIES 2025A IN THE PRINCIPAL
AMOUNT NOT TO EXCEED \$53,000,000 TO FINANCE
AND REFINANCE CERTAIN PUBLIC CAPITAL
IMPROVEMENTS OF THE CITY, APPROVING,
AUTHORIZING THE EXECUTION AND DELIVERY BY THE
AUTHORITY OF A SITE LEASE, A LEASE AGREEMENT,
AN ASSIGNMENT AGREEMENT, AND AN INDENTURE OF
TRUST, AUTHORIZING THE DISTRIBUTION OF AN
OFFICIAL STATEMENT IN CONNECTION WITH THE
OFFERING AND SALE OF SUCH BONDS AND
AUTHORIZING THE EXECUTION OF NECESSARY
DOCUMENTS AND CERTIFICATES AND RELATED
ACTIONS**

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

WHEREAS, the Former Agency, as of February 1, 2012, has been dissolved and the City has become the successor agency of the Former Agency pursuant to Part 1.85 of Division 24 of the California Health and Safety Code and per California Health and Safety Code Section 34178(b)(3), the Joint Exercise of Powers Agreement establishing the Authority remains in effect; and

WHEREAS, pursuant to Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to lease and sublease lands, structures, real or personal property, and other interests in lands that are located within the State of California that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof; and

WHEREAS, the Authority previously issued its City of San José Financing Authority Lease Revenue Refunding Bonds, Series 2013B (Civic Center Garage Project) in the original aggregate principal amount of \$30,445,000 (the “2013B Bonds”), to refund the then outstanding City of San José Financing Authority Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project) issued to refinance a parking garage owned and operated by the City (the “Civic Center Garage Project”); and

WHEREAS, the Authority previously issued its Tax-Exempt Lease Revenue Commercial Paper Notes, Series 1 (as refinanced from time to time with subsequent commercial paper notes, the “Muni Water Building Project Commercial Paper Notes”) to finance, on an interim basis, the construction of a new Administration and Operations Building, and the acquisition, construction and

installation of related capital improvements, for the Water Resources Division, located at 3025 Tuers Road in the City of San José (collectively, the “Muni Water Building Project”); and

WHEREAS, the outstanding 2013B Bonds are subject to optional redemption prior to maturity on any date at a redemption price equal to the principal amount of 2013B Bonds to be redeemed plus accrued but unpaid interest to the redemption date, without premium; and

WHEREAS, the outstanding Muni Water Building Project Commercial Paper Notes may be refinanced at maturity; and

WHEREAS, the City desires to finance remaining costs to complete the Muni Water Building Project; and

WHEREAS, the Authority and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of lease revenue bonds (the “2025A Bonds”), in one or more series or subseries, on a federally tax-exempt or taxable basis, for the purpose of (i) financing remaining costs to complete the Muni Water Building Project, and (ii) refunding all or a portion of the outstanding 2013B Bonds and the outstanding Muni Water Building Project Commercial Paper Notes; and

WHEREAS, to facilitate the issuance of the 2025A Bonds, the City and the Authority desire to enter into a Site Lease between the City and the Authority (the “Site Lease”) pursuant to which the City will lease certain real property, which real property shall initially consist of the Muni Water Building Project and one or more other properties that are owned by the City (collectively, the “Leased Property”), to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Property back from the Authority, and pay certain Lease Payments (as defined in the hereinafter defined Indenture) which will be pledged to the owners of the 2025A Bonds by the Authority pursuant to an Indenture of Trust by and between Wilmington Trust, National Association, as trustee (the “Trustee”), and the Authority (the “Indenture”); and

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement to pursuant to which the Authority will assign substantially all of its rights under the Lease Agreement to the Trustee; and

WHEREAS, the Authority will issue the 2025A Bonds pursuant to the Act; and

WHEREAS, the 2025A Bonds will be sold by competitive sale pursuant to and in accordance with an Official Notice Inviting Bids (the “Official Notice Inviting Bids”); and

WHEREAS, a form of the Preliminary Official Statement for the 2025A Bonds (the “Preliminary Official Statement”) has been prepared;

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on (i) the financing of remaining costs to complete the Muni Water Building Project, and (ii) the refinancing of the Civic Center Garage Project costs and the Muni Water Building Project costs financed with the Muni Water Building Project Commercial Paper Notes through the refunding of all or a portion of the outstanding 2013B Bonds and Muni Water Building Project Commercial Paper

Notes, in each case through the issuance of the 2025A Bonds in accordance with Section 6586.5 of the Act, which hearing was held in the Council chambers located 200 East Santa Clara Street, San José, California, on June 17, 2025 and the Council adopted its resolution approving the issuance of the 2025A Bonds making a finding of significant public benefit in accordance with the Act; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in an adjudicated local newspaper of general circulation in the City; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, certain financial information relating to the 2025A Bonds is attached hereto as Appendix A, and such information has been disclosed and made public; and

WHEREAS, the Governing Board of the Authority (the “Board”) has duly considered such transactions and wishes at this time to approve said transactions in the public interest of the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE CITY OF SAN JOSE FINANCING AUTHORITY THAT:

SECTION 1. Findings and Determinations. The Board finds and determines that the foregoing recitals are true and correct. The Board has determined and hereby finds that the Authority’s assistance in (i) financing of remaining costs to complete the Muni Water Building Project, and (ii) refinancing the Civic Center Garage Project and the Muni Water Building Project through the refunding of all or a portion of the outstanding 2013B Bonds and the Muni Water Building Project Commercial Paper Notes, in each case by the issuance of the 2025A Bonds and related transactions will result in significant public benefits of the type described in Section 6586 (a) through (d), inclusive, of the Act.

SECTION 2. Approval of 2025A Bonds. Subject to the provisions of the Indenture, the 2025A Bonds, in one or more series or subseries, on a federally taxable or tax-exempt basis, and in an aggregate principal amount not to exceed \$53,000,000, are hereby authorized to be issued by the Authority under and subject to the terms of the Act and the Indenture for the purpose of (i) financing remaining costs to complete the Muni Water Building Project, (ii) refunding all or a portion of the outstanding 2013B Bonds and Muni Water Building Project Commercial Paper Notes, and (iii) paying certain legal, financial and other costs of issuance in connection therewith. The 2025A Bonds may be issued as a single issue, and in separate series of federally taxable or tax-exempt bonds, as the Authority shall determine. The 2025A Bonds shall be designated as “City of San José Financing Authority Lease Revenue Bonds, Series 2025A (Civic Center Garage and Muni Water Building Projects),” or as otherwise designated by the Authority, and each series or subseries of 2025A Bonds shall bear such additional designation as may be ascribed thereto in the Indenture. The 2025A Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution.

SECTION 3. Approval of Indenture. The Indenture in the form posted to the agenda webpage for this meeting is hereby approved. The Executive Director, the Treasurer, the Secretary, and each of their authorized designees (each an “Authorized Officer” and, collectively, the “Authorized

Officers”) are, and each of them is, hereby authorized for and in the name and on behalf of the Authority, to execute and deliver the Indenture, in substantially said form, with such changes, insertions and omissions therein (including the insertion of the maturity dates, principal amounts and interest rates of the 2025A Bonds) as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, as counsel to the Authority, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The selection of Wilmington Trust, National Association, as trustee for the 2025A Bonds, is hereby ratified and approved.

The form of the 2025A Bonds set forth in the Indenture is hereby approved, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, as counsel to the Authority, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and attest each of the 2025A Bonds on behalf of the Authority, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2025A Bonds on behalf of the Authority. In case any such officer whose signature appears on the 2025A Bonds shall cease to be such officer before the delivery of the 2025A Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2025A Bonds.

SECTION 4. Approval of Lease Documents. The Site Lease and the Lease Agreement in the forms posted to the agenda webpage for this meeting are hereby approved. The Authorized Officers, are each, acting alone, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Site Lease and the Lease Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, as counsel to the Authority, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; *provided, however*, that the true interest cost of the 2025A Bonds shall not exceed 8.0% per annum. In the event that it is determined by an Authorized Officer that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the real property that is described in this Resolution as the initial Leased Property, or that other City-owned property would be more appropriate to use as Leased Property under the Site Lease and the Lease Agreement, the Authorized Officers, are each, acting alone, hereby expressly authorized to designate other or additional real property of the City to be leased or subleased pursuant to the Site Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Site Lease and Lease Agreement by an Authorized Officer.

SECTION 5. Approval of Assignment Agreement. The form of Assignment Agreement posted to the agenda webpage for this meeting is hereby approved. The Authorized Officers are each, acting alone, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve upon consultation with the City Attorney, as counsel to the Authority, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Approval of Sale and Issuance of 2025A Bonds. The sale of the 2025A Bonds by competitive sale pursuant to the Official Notice Inviting Bids and the form thereof posted to the agenda webpage for this meeting is hereby approved. The Authorized Officers are each, acting alone,

authorized and directed to distribute the Official Notice Inviting Bids to potential bidders for the 2025A Bonds in substantially said form, with such changes, insertions and omissions therein as an Authorized Officer may require or approve upon consultation with the City Attorney, as counsel to the Authority, such requirement or approval to be conclusively evidenced by the distribution thereof, and the Authorized Officers are each, acting alone, authorized and directed to sell the 2025A Bonds by competitive sale in accordance with the terms thereof; *provided, however*, that (a) the true interest cost of the 2025A Bonds shall not exceed 8.0% per annum, and (b) the aggregate combined principal amount of the 2025A Bonds shall not exceed \$53,000,000. The Board hereby further ratifies and approves the publication by the Authority of a notice of intention to sell the 2025A Bonds as required by Section 53692 of the California Government Code. The Authorized Officers are each, acting alone, authorized and directed to evidence the Authority's acceptance of an offer to purchase the 2025A Bonds following competitive biddings pursuant to the Official Notice Inviting Bids.

SECTION 7. Approval of Official Statement. The form of Preliminary Official Statement, in substantially the form posted to the agenda webpage for this meeting, with such changes, insertions and omissions therein as may be approved by an Authorized Officer upon consultation with the City Attorney, as counsel to the Authority, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the 2025A Bonds is hereby authorized and approved. The Authorized Officers are each, acting alone, hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Authorized Officers are each, acting alone, hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the 2025A Bonds a reasonable number of copies of the Preliminary Official Statement.

The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the 2025A Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

SECTION 8. Miscellaneous. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable 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 (i) determining the amount of 2025A Bonds to be issued, (ii) executing a custody agreement relating to the deposit and investment of the good faith deposit prior to the issuance and delivery of the 2025A Bonds, and (iii) executing all certificates, agreements, representations and opinions, as may be acceptable to the City Attorney, as counsel to the Authority, including the letter of representations to the bond depository, insurance, reimbursement and financial guaranty agreements with municipal bond insurers, signature certificates, no-litigation certificates, tax certificates, and other certificates proposed to be delivered in connection with the execution and delivery of the Indenture, and the sale of the 2025A Bonds. Specifically and without limiting the foregoing, any Authorized Officer is authorized and directed to (i) amend and/or terminate any of the legal documents entered into in connection with the 2013B

Bonds or any other bonds of the Authority or the City in connection with the issuance of the 2025A Bonds, (ii) to execute and deliver irrevocable refunding instructions and escrow agreements and to enter into escrow agreements in connection with the refunding of the 2013B Bonds and the Muni Water Building Project Commercial Paper Notes, and (iii) to solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the 2025A Bonds, provided such officer determines acceptance of the best bid will result in lower overall debt service or lower interest cost, and appropriate changes to each of the documents referenced herein to evidence such bond insurance, and, if applicable, a reserve account insurance policy, and the terms thereof, are hereby authorized and approved. Anything to the contrary herein notwithstanding, in the event the Executive Director or the Treasurer determines in consultation with the Authority's municipal advisor that the cost-efficient marketing of the 2025A Bonds requires creation of a funded reserve under the Indenture, each of the Indenture, Lease Agreement and the other documents approved herein may be revised to reflect the funding of such a reserve. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 9. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any remaining provisions hereof.

SECTION 10. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

ADOPTED this ____ day of June 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Chair

ATTEST:

TONI J. TABER, CMC
Secretary

APPENDIX A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the 2025A Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Public Resources Advisory Group, the Authority's Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2025A Bonds to be sold is \$48,325,000 (the "Estimated Principal Amount").

True Interest Cost of the 2025A Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2025A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2025A Bonds, is 4.4%.

Finance Charge of the 2025A Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2025A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2025A Bonds), is \$743,594. Such fees and charges include, but are not limited to, fees for bond and disclosure counsel, municipal advisor, and rating agencies.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received from the sale of the 2025A Bonds, less the finance charge of the 2025A Bonds, as estimated above, is \$50,897,441.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments to pay debt service on the 2025A Bonds, plus the finance charge for the 2025A Bonds, as described above, not paid with the proceeds of the 2025A Bonds, calculated to the final maturity of the 2025A Bonds, is \$84,220,997.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2025A Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2025A Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2025A Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2025A Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2025A Bonds being different than those

estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the 2025A Bonds and the actual principal amount of 2025A Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the 2025A Bonds and other factors. The actual interest rates borne by the 2025A Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2025A Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.