

**CITY OF SAN JOSE FINANCING AUTHORITY
RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY OF SAN JOSE FINANCING
AUTHORITY AUTHORIZING THE ISSUANCE OF THE CITY
OF SAN JOSE FINANCING AUTHORITY LEASE REVENUE
COMMERCIAL PAPER NOTES TO FINANCE FLOOD
RECOVERY CONSTRUCTION PROJECTS FOR PARKS
AND COMMUNITY FACILITIES IN AN AMOUNT NOT TO
EXCEED \$21,000,000 AND AUTHORIZING OTHER
RELATED ACTIONS**

WHEREAS, the City of San José (the “City”) and the Redevelopment Agency of the City of San José (the “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 instruments of debt to finance the acquisition, construction and improvement of certain public capital improvements; and

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

WHEREAS, on January 28, 2004, pursuant to a Trust Agreement dated as of January 1, 2004 (the “Original Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code (the “Act”), the Authority delivered its first issue of its not to exceed \$98,000,000 Tax-Exempt Lease Revenue Commercial Paper Notes (the “Tax-Exempt Commercial Paper Notes”); and

WHEREAS, concurrently with the delivery of the first issue of the Tax-Exempt Commercial Paper Notes, the Authority and the City entered into a Site Lease, dated as of January 1, 2004 (the “Site Lease”), pursuant to which the Authority leased from the City certain Property (as such term is defined therein) located in the City, including the buildings and improvements thereon owned by the City; and

WHEREAS, concurrently with the delivery of the first issue of the Tax-Exempt Commercial Paper Notes, the Authority and the City also entered into a Sublease, dated as of January 1, 2004 (the “Sublease”), pursuant to which the City subleased the Property from the Authority; and

WHEREAS, on November 9, 2004, the Authority and the City adopted resolutions, after a duly held public hearing, approving using proceeds of the Commercial Paper Notes to

finance the installation and integration of computer software, software licensing, hardware and certain related costs related to the City's billing system previously referred to as the "Integrated Utility Billing, Customer Service and Performance Management System" (the "CUSP Project") and currently known as the "Utility Billing System Project"; and

WHEREAS, the City, in order to increase its flexibility with respect to a portion of the Projects, requested that, pursuant to the Act, the Authority issue its City of San José Financing Authority Taxable Lease Revenue Commercial Paper Notes (the "Taxable Commercial Paper Notes"); and

WHEREAS, in order to aid the City, the Authority determined to amend and restate the Original Trust Agreement and to amend certain related documents in order to provide for the issuance of its Taxable Commercial Paper Notes as well as its Tax-Exempt Commercial Paper Notes (collectively, the "Commercial Paper Notes"); and

WHEREAS, on June 23, 2005, the Authority and the Trustee entered into an Amended and Restated Trust Agreement (the "Amended and Restated Trust Agreement" and, as further amended as described herein, the "Trust Agreement") in order to provide for the issuance of Taxable Commercial Paper Notes; and

WHEREAS, on November 17, 2005, the Authority and the Trustee entered into a First Supplement to Amended and Restated Trust Agreement (the "First Supplement") in order to increase the not-to-exceed maximum aggregate principal amount of Commercial Paper Notes from \$98,000,000 to \$116,000,000, and also to allow the additional use of the Commercial Paper Notes to finance the City's Central Service Yard Phase II Project and the demolition and clean up at the City's Main Service Yard; and

WHEREAS, on May 22, 2007, the Authority and the City adopted resolutions, after a duly held public hearing, approving using proceeds of Taxable Commercial Paper Notes to pay for the cost of improvements to the City-owned HP Pavilion and related costs; and

WHEREAS, on October 21, 2008, the Authority and the City adopted resolutions approving amending the Amended and Restated Trust Agreement pursuant to a Second Supplement to the Amended and Restated Trust Agreement (the "Second Supplement") in order to expand the Authority's ability to issue Commercial Paper Notes for the purpose of refunding bonds and other obligations of the City or the Authority pursuant to Government Code Sections 53570 et seq. and 53580 et seq.; and

WHEREAS, on April 20, 2010, the Authority and the City adopted resolutions approving amending the Amended and Restated Trust Agreement pursuant to a Third Supplement to the Amended and Restated Trust Agreement (the "Third Supplement") in order to expand the Authority's ability to issue Commercial Paper Notes for the purposes of (i) financing certain low and moderate income housing activities and programs of the City by allowing the proceeds of the Commercial Paper Notes to be loaned to the Low and

Moderate Income Housing Fund established under and pursuant to the Community Redevelopment Law, which fund is administered by the City, all as permitted by the Act, including Section 6588(c) thereof, and (ii) making working capital advances to the City in order to allow the City to meet its cash flow needs; and

WHEREAS, in connection with the Reimbursement Agreements (as defined below) and in order to aid the City, the Authority entered into the Fourth Supplement to Amended and Restated Trust Agreement (the "Fourth Supplement") dated as of February 1, 2013, in order to provide for the delivery of two Alternate Credit Facilities in accordance with Section 6.02 of the Amended and Restated Trust Agreement and to designate separate series of Commercial Paper Notes; and

WHEREAS, on February 12, 2013, in connection with the Reimbursement Agreements (as defined below) and the Fourth Supplement, the Authority and the City adopted resolutions approving a Fourth Amendment to Site Lease (the "Fourth Amendment to Site Lease") and a Fourth Amendment to Sublease (the "Fourth Amendment to Sublease") in order to add certain real property, being the Police Communications Center and Fire Station #3, to the property leased pursuant to the Site Lease and the Sublease, and to release the Tech Museum from the property leased pursuant to the Site Lease and the Sublease; and

WHEREAS, on February 12, 2013, the Authority and the City also adopted resolutions authorizing the Authority and the City to negotiate and enter into a new Letter of Credit and Reimbursement Agreement, dated as of February 1, 2013, among the Authority, the City and State Street Bank and Trust Company (the "State Street Reimbursement Agreement") and a Letter of Credit and Reimbursement Agreement, dated as of February 1, 2013, among the Authority, the City and U.S. Bank National Association (the "U.S. Bank Reimbursement Agreement" and together with the State Street Reimbursement Agreement, the "Reimbursement Agreements"), and to execute amendments to various documents in connection with the execution and delivery of the Reimbursement Agreements; and

WHEREAS, on August 29, 2017, the Authority and the City adopted resolutions approving amending the Amended and Restated Trust Agreement pursuant to a Fifth Supplement to the Amended and Restated Trust Agreement (the "Fifth Supplement") in order to expand the Authority's ability to issue Commercial Paper Notes for the purposes of financing start-up costs relating to the City's establishment of a community choice aggregation program for the provision of electrical power within the City's boundaries with the proposed name "San José Clean Energy", including capitalized interest and certain related costs in an amount not to exceed \$10,000,000, all as permitted by the Act, including Section 6588(c) thereof; and

WHEREAS, in addition to the actions described above, the Authority and the City have previously authorized the issuance of Commercial Paper Notes to finance various City projects; and

WHEREAS, the maximum principal amount of Commercial Paper Notes that may currently be outstanding is \$85,000,000; and

WHEREAS, the City has requested that the Authority allow the additional use of the Commercial Paper Program in order to assist the City with the funding of flood recovery construction projects for parks and community facilities (the “Parks Flood Recovery Projects”) in an amount not to exceed \$21,000,000; and

WHEREAS, the City Council has held a duly noticed public hearing in accordance with Section 6586.5 of the California Government Code, and has considered whether the financing of the Parks Flood Recovery Projects by the issuance of Commercial Paper Notes will result in significant public benefits accruing from such financing, consisting of reduced financing costs; and

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

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

SECTION 1. Pursuant to the Act, the Board hereby finds and determines that the Parks Flood Recovery Projects to be financed or refinanced with the proceeds of the Commercial Paper Notes constitutes “public capital improvements” and that the issuance of the Commercial Paper Notes and the transactions related thereto will result in significant public benefits to its members within the contemplation of Section 6586 of the Act.

SECTION 2. The Board hereby approves the issuance of Commercial Paper Notes by the Authority in an amount not to exceed \$21,000,000 for the purposes of funding the Parks Flood Recovery Projects pursuant to and in accordance with the terms governing the Commercial Paper Program set forth in the Trust Agreement, the Reimbursement Agreements and other related documents.

SECTION 3. The Executive Director, the Treasurer, the Secretary and any and all other officers of the Authority, and any officer of the City designated by the Executive Director (collectively, the “Designated Officers”), are each hereby authorized, acting alone, for and in the name of and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of 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 order to consummate the lawful issuance and sale of the Commercial Paper Notes and the consummation of the transactions as described herein, including without limitation, such documents, assignments, certificates and agreements as may be required by the Trust Agreement, the Reimbursement Agreements, the Dealer Agreement, the Issuing and Paying Agent Agreement, the Sublease or the Site Lease (as such terms are defined in the Trust Agreement). Further, the Designated Officers, each acting alone, are authorized to execute certificates as to arbitrage and any and all other necessary certificates or forms to ensure the continued tax exempt status of the Tax-Exempt Commercial Paper Notes.

Any authority delegated under this Resolution to a specified official (including officials acting in these positions on an interim basis) may also be exercised by the specified official's authorized designee.

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