

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the City of San José (the "City") prior to the City's regular meeting (the "Meeting") of its City Council (the "City Council") at which Meeting the City Council will consider the authorization of conduit revenue bonds as identified below.

1. Name of Borrower: **Markham Plaza I, L.P., a California limited partnership.**
2. City Council Meeting Date: **September 17, 2019.**
3. Name of Bond Issue / Conduit Revenue Obligations: **City of San Jose Multifamily Housing Revenue Bonds (Markham Plaza I) Series 2019B-1 (the "2019B-1 Bonds") and Multifamily Housing Revenue Bonds (Markham Plaza I), Subordinate Series 2019B-2 (the "2019B-2 Bonds" and with the 2019B-1 Bonds, the "Bonds").**
4. ☐ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☒ Financial Advisor (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Bonds:
  - (A) The true interest cost of the 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 new issue of the Bonds (to the nearest ten-thousandth of one percent): **(a) for the 2019B-1 Bonds: 3.67% (estimated as of 9/4/19 – interest rate is variable ) and (b) for the 2019B-2 Bonds: 2.21% (as of 9/4/19 – rate to be known in the month of closing.**
  - (B) The estimated finance charges of the Bonds, which mean the sum of all fees and charges paid to third parties: collectively, **\$1,974,850 (\$336,000 paid upfront, \$1,351,350 paid during the term of the Bonds and \$287,500 paid from Bond maturity through the end of the 55 year compliance period in the Regulatory Agreement).**
  - (C) The amount of proceeds received, or deemed received, by the public body for sale of the Bonds less the finance charges of such Bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of such Bonds: an estimated **\$17,403,747 from the 2019B-1 Bonds (subject to change based on final underwriting) and an estimated \$5,000,000 from the 2019 B-2 Bonds. (All other finance and interest charges funded from a source other than the proceeds of the Bonds).**
  - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Bonds plus the finance charges of the Bonds described in subparagraph (B) not paid with the proceeds of such Bonds (which total payment amount shall be calculated to the final maturity of such Bonds): **\$28,680,000 (consisting of: (a) estimated principal and interest payments of \$18,000,000 with respect to the 2019B-1 Bonds, (b) \$8,705,605 estimated principal and interest with respect to the 2019B-2 Bonds, and (c) estimated finance charges identified in (B)).**

This document has been made available to the public at the Meeting of the City Council.

Dated: September 6, 2019