

RESOLUTION NO. _____ (PFFC)

A RESOLUTION OF THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION APPROVING INSTALLMENT SALE FINANCING IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 TO PROVIDE INTERIM FINANCING FOR CAPITAL COSTS OF THE SAN JOSÉ-SANTA CLARA REGIONAL WASTEWATER FACILITY, AND APPROVING FINAL FORM OF FINANCING DOCUMENTS AND OFFICIAL ACTIONS

BE IT RESOLVED BY THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION AS FOLLOWS:

WHEREAS, the City of Santa Clara (the “City”) owns and operates facilities and property for the collection and transmission of wastewater within the service area of the City (the “Wastewater System”), and wastewater which is collected by the City is transmitted for treatment to the San José-Santa Clara Regional Wastewater Facility (the “Wastewater Treatment Facility”) which is co-owned by the City and the City of San José pursuant to that certain Sewage Plant Agreement dated March 30, 1959, as amended (the “Wastewater Treatment Agreement”);

WHEREAS, under the Wastewater Treatment Agreement, the City is obligated to contribute its share of the capital costs of improvements to the Wastewater Treatment Facility, and the City is currently obligated to contribute funds towards the cost of constructing certain improvements to the Wastewater Treatment Facility (“Project”);

WHEREAS, the City has determined that it is in its best interests to provide interim financing for the Project and in order to implement such financing the City has proposed to enter into an Installment Sale Agreement (the “Installment Sale Agreement”) with the City of Santa Clara Public Facilities Financing Corporation (the “Financing Corporation”) pursuant to which the Financing Corporation agrees to provide financing for the Project and to sell the completed Project to the City in consideration of the payment by the City of periodic installment payments (the “Installment Payments”), which are payable from and secured by a pledge of and lien on the net revenues of the Wastewater System;

WHEREAS, in order to provide the funds needed to finance the Project in an amount not exceeding

\$50,000,000, the Financing Corporation proposes to assign the Installment Payments to JPMorgan Chase Bank, N.A., as lender (the “Lender”); and

WHEREAS, the Board of Directors of the Financing Corporation approves all of said transactions in furtherance of the public purposes of the Financing Corporation, and the Board of Directors wishes at this time to authorize all proceedings and documents relating to the financing for the Project as described herein;

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION AS FOLLOWS:

1. That ...

A. Approval of Financing Plan and Related Documents. The Board of Directors hereby approves the financing plan outlined above, and in accordance with the proposal submitted to the City by the Lender in the form on file with the Secretary.

B. Installment Sale Agreement. The Board of Directors hereby approves the Installment Sale Agreement relating to the financing of the Project, between the City and the Financing Corporation, in the form thereof on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Executive Director, whose execution thereof shall be conclusive evidence of such approval. The Executive Director is hereby authorized and directed for and in the name and on behalf of the Financing Corporation to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Installment Sale Agreement on behalf of the Financing Corporation.

C. Assignment to Lender. The hereby approves the assignment to the Lender of certain rights of the Financing Corporation under the Installment Sale Agreement, including the right to receive the Installment Payments. Such assignment shall be made pursuant to an Assignment Agreement among the City, the Financing Corporation and the Lender in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAINED: DIRECTORS:

ATTEST:

NORA PIMENTEL, MMC
SECRETARY OF THE SANTA CLARA PUBLIC
FACILITIES FINANCING CORPORATION

Attachments incorporated by reference:

1. Installment Sale Agreement
2. Assignment Agreement

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