

RESOLUTION APPROVING THE ISSUANCE OF NOT TO EXCEED \$5,512,000 OF PUBLIC FINANCE AUTHORITY INDUSTRIAL REVENUE BONDS (HAYWARD HANGARS PROJECT), SERIES 2023 FOR THE BENEFIT OF HAYWARD HANGARS, LLC

WHEREAS, the City Council (the "City Council") of the City of Hayward, California (the "City") met in Hayward, California, at 7:00 p.m. on the 11th day of April, 2023; and

WHEREAS, Hayward Hangars, LLC, a Delaware limited liability company (the "Borrower"), has requested that the Public Finance Authority (the "Authority") issue its Industrial Revenue Bonds (Hayward Hangars Project), Series 2023, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$5,512,000 (the "Bonds"), of which the tax-exempt portion is in an amount not to exceed \$3,937,500; and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower and used by the Borrower to finance all or a portion of the costs of (i) the construction, furnishing and equipping of an approximately 25,900 square foot aircraft storage hangar, consisting of twelve (12) box hangar units, to be located at the Hayward Executive Airport, 20995 Skywest Drive, Hayward, California (the "Airport") in the City of Hayward, California (the "City"); (ii) refinancing certain outstanding lines of credit, loans and promissory notes of the Borrower, which financed and refinanced other airport-related facilities at the Airport; and (iii) paying costs of issuance related to the Bonds (collectively, the "Project"); and

WHEREAS, the Project will be initially principally used, owned, operated and/or managed by the Borrower; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that any bonds issued by the Authority for the Project may only be issued after approval of the plan of financing by the City Council following a public hearing with respect to such plan; and

WHEREAS, the statute under which the Authority is created (the "Act") requires that any bonds issued by the Authority to finance the Project may only be issued after approval of the financing of the Project by the City Council; and

WHEREAS, the City Council held a public hearing with respect to the issuance of the Bonds, the proceeds of which will be used to finance the Project; and

WHEREAS, the Borrower will agree to repay the principal, premium, if any, and interest on the Bonds and the City will have no liability whatsoever for the payment of principal of, premium, if any, or interest on the Bonds, and the Bonds will not affect the City's debt ratios or legal debt limit and the City will not incur any liability for repayment of the Bonds by approving the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, because no taxes or other revenues of the City are pledged to pay the Bonds, the staff of the City has made no financial analysis of the Bonds, the Borrower or the Project; and

WHEREAS, the City Council has determined that approval of the issuance of the Bonds is solely to satisfy the requirements of Section 147(f) of the Code and the Act and shall in no event constitute an endorsement of the Bonds or the Project or the creditworthiness of the Borrower, nor shall such approval in any event be construed to obligate the City for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the City, within the meaning of any constitutional or statutory provision whatsoever;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hayward as follows:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of financing the Project (Hayward Hangars Project). It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of: (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f), and (b) the Act.

Section 2. The officers of the City Council are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, certificates and other instruments which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby. Any actions heretofore taken by such officers are hereby ratified and approved.

Section 3. The City Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the Authority's issuance of the Bonds for the financing of the Project.

Section 4. This Resolution shall take effect from and after its passage and approval.

IN COUNCIL, HAYWARD, CALIFORNIA April 11, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
 MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
 City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward