

**RESOLUTION NO. \_\_\_\_-16**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
HAYWARD PUBLIC FINANCING AUTHORITY  
AUTHORIZING DELIVERY AND SALE OF  
CERTIFICATES OF PARTICIPATION TO REFINANCE  
2007 REFUNDING CERTIFICATES OF PARTICIPATION,  
AND APPROVING RELATED DOCUMENTS AND  
ACTIONS**

**WHEREAS**, the Hayward Public Financing Authority (the "Authority") and the City of Hayward (the "City") previously entered into a Lease Agreement, dated as of August 1, 2007 (the "Prior Lease"), under which the City has agreed to pay semiannual lease payments which are evidenced by 2007 Refunding Certificates of Participation (Civic Center and Capital Projects) in the aggregate principal amount of \$31,820,000 (the "2007 Certificates"); and

**WHEREAS**, in order to take advantage of favorable interest rates prevailing in the municipal bond market, the City wishes at this time to provide for the refinancing of its obligations under the Prior Lease and the 2007 Certificates from the proceeds of (i) 2016 Refunding Certificates of Participation (Civic Center and Capital Projects - 2007 Refunding), Series A to be delivered in the maximum principal amount of \$22,000,000 and (ii) 2016 Federally Taxable Refunding Certificates of Participation (Civic Center and Capital Projects - 2007 Refunding), Series B to be delivered in the maximum principal amount of \$1,500,000 (collectively, the "Refunding Certificates"); and

**WHEREAS**, the City Council has authorized and directed staff, without further authorization or approval by the City Council, to determine whether the Refunding Certificates should be sold to an underwriter or privately placed with a financial institution to be identified by staff, with such determination to be based upon staff's conclusion, subject to compliance of the sale with the parameters established by the City Council, that the method of sale selected by staff will be most beneficial to the City; and

**WHEREAS**, the Board of Directors wishes at this time to authorize and approve all proceedings for the refinancing of the Prior Lease and the 2007 Certificates, the delivery and sale of Refunding Certificates for such purpose, and all related documents and actions, in furtherance of the public purposes of the Authority;

**NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hayward Public Financing Authority as follows:**

**Section 1. Approval of Refinancing Plan and Related Documents.** The Board of Directors hereby approves the refinancing plan outlined above. To that end, the Board of Directors hereby approves each of the following financing documents in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto approved by the Executive Director, Secretary or the Treasurer (each, an "Authorized Officer"):

- Site Lease, between the City as lessor and the Authority as lessee, whereby the City leases certain real property consisting generally of the land and improvements constituting the Civic Center located at 777 B Street (the “Leased Property”) to the Authority.
- Lease Agreement, between the Authority as lessor and the City as lessee, whereby the Authority leases the Leased Property back to the City in consideration of the payment by the City of semiannual lease payments.
- Assignment Agreement, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, whereby the Authority assigns substantially all of its rights under the Lease Agreement to the Trustee for the security of the Certificates of Participation.
- Trust Agreement, among the City, the Authority and the Trustee, whereby the Trustee agrees to execute and deliver the Refunding Certificates.
- Termination Agreement, between the Authority and The Bank of New York Mellon Trust Company, N.A, as trustee for the 2007 Certificates, whereby the Authority terminates the documentation relating to the 2007 Certificates.

Each Authorized Officer is hereby authorized and directed on behalf of the Authority to execute the final form of each of the foregoing documents, and the Secretary is hereby authorized and directed to attest to the final form of each of the foregoing documents. Execution of each of the foregoing documents by an Authorized Officer shall be conclusive evidence of the approval of any changes therein or additions thereto by an Authorized Officer. The schedule of lease payments attached to the Lease Agreement shall correspond to the payments of principal and interest represented by the Refunding Certificates, to be determined upon the sale thereof as set forth in Section 2.

**Section 2. Sale of Refunding Certificates. Purchase Agreement.** The City Council has authorized and directed the Finance Director, following consultation with the City Attorney, municipal advisor and special counsel, to determine whether selling the Refunding Certificates to an underwriter in a negotiated underwriting or selling the Refunding Certificates in a private placement to one or more financial institutions to be selected by the Finance Director will be more beneficial to the City.

The Board of Directors hereby approves Hilltop Securities to act as underwriter if the Refunding Certificates are sold in a negotiated underwriting and placement agent if the Refunding Certificates are privately placed; Hilltop Securities was selected following a competitive process.

The Board of Directors hereby directs the Authorized Officers to work with the City Attorney, municipal advisor and special counsel to prepare a form of purchase agreement for execution by the Authority in connection with a negotiated underwriting or a private placement and to submit the agreement to the City Council for approval.

The Refunding Certificates shall be sold at such price and shall bear interest at such rates as shall produce a minimum net present value savings to the City of at least 5% of the principal component of the 2007 Certificates, as such savings shall be verified and conclusively determined by the City's municipal advisor (the "Minimum Savings Requirement"). The Underwriter's discount shall not exceed 0.50% if the Refunding Certificates are sold in a negotiated underwriting, and the private placement agent's fee shall not exceed \$30,000.

**Section 3. Official Statement.** The Board of Directors hereby directs the Authorized Officers, if it is determined that the Refunding Certificates should be sold in a negotiated underwriting, to work with the City Attorney, municipal advisor and special counsel to prepare a form of Official Statement describing the Refunding Certificates and containing material information relating to the Authority and the Refunding Certificates, the preliminary form of which will be submitted to the Board of Directors for approval for distribution by the underwriter of the Refunding Certificates to persons and institutions interested in purchasing the Refunding Certificates.

**Section 4. Official Actions.** The Executive Director, the Treasurer, the Secretary, and all other officers of the Authority, are authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the Authority is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED and ADOPTED** this 3rd day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chair

[Seal]

ATTEST:

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Secretary