

RESOLUTION NO. ____

**A RESOLUTION OF THE BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE AND SALE OF WATER REVENUE BONDS IN AN AMOUNT NOT TO
EXCEED \$21,000,000 TO ASSIST IN FINANCING CERTAIN IMPROVEMENTS TO THE WATER SYSTEM
OF THE CITY OF MILPITAS, AND APPROVING RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City of Milpitas (the “City”) and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the “Authority”) for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, for the purpose of raising funds necessary to finance certain improvements to the City’s water system (the “Water Projects”), the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), designated as the Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the “Bonds”); and

WHEREAS, pursuant to an Installment Sale Agreement between the City and the Authority (the “Installment Sale Agreement”), the City will purchase the Water Projects from the Authority, and the Authority will use the installment payments made by the City to the Authority pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information to be used in connection with the sale of the Bonds; and

WHEREAS, the information required to be obtained and disclosed pursuant to Government Code Section 5852.1 prior to the issuance of the Bonds is set forth in the staff report accompanying this Resolution; and

WHEREAS, the governing board (the “Board”) of the Authority has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions.

NOW, THEREFORE, BE IT RESOLVED, BY THE GOVERNING BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY, AS FOLLOWS:

Section 1. Issuance of Bonds. The Board hereby authorizes the issuance of the Bonds under the Act for the purpose of providing funds to finance the acquisition, construction and installation of the Water Projects. The aggregate principal amount of the Bonds shall not exceed \$21,000,000.

Section 2. Approval of Related Financing Agreements. The Board hereby approves each of the following agreements relating to the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an “Authorized Officer”), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest to, if necessary, the final form of each of the following agreements:

- Indenture of Trust, between the Authority and U.S. Bank National Association, as trustee, setting forth the terms and provisions relating to the Bonds.
- Installment Sale Agreement, between the Authority and the City, under which the Authority agrees to provide financing for the Water Projects and to sell the completed Water Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due.

Section 3. Sale of Bonds. The Board hereby approves the sale of the Bonds by negotiation with Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”). The Bonds shall be sold to the Underwriter under the Bond

Purchase Agreement among the Authority, the City and the Underwriter, which is hereby approved in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions; provided, that the Underwriter's discount shall not exceed 0.5%, and the true interest cost of the Bonds shall not exceed 4.50%. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the Authority.

Section 4. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the Secretary. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Authority's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The Board approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The Board authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

Section 5. Official Actions. The Authorized Officers of the Authority are each 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 authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Secretary

Rich Tran, Chair

APPROVED AS TO FORM:

Christopher J. Diaz, General Counsel