

RESOLUTION NO. 74069

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF FINANCE TO NEGOTIATE AND EXECUTE THE FIRST AMENDMENT TO THE LOAN AGREEMENT WITH COMERICA BANK TO EXTEND THE MATURITY DATE OF THE DOLCE HAYES MANSION \$5,000,000 LINE OF CREDIT BY A PERIOD OF ONE YEAR FROM OCTOBER 29, 2007 TO OCTOBER 29, 2008**

**WHEREAS**, on October 21, 2003 the City Council of the City of San José (“City Council”) authorized a \$5,000,000 line of credit and a \$2,000,000 term loan agreement with Comerica Bank (“Comerica”) related to the transition of the operation and management of the Hayes Mansion from the City’s lessee to Dolce International/San Jose, Inc., which assumed operation of the Hayes Mansion as of January 1, 2004; and

**WHEREAS**, the purpose of the line of credit was to fund any Hayes Mansion operating cash flow needs and the debt service costs if operating profits were not sufficient and the purpose of the term loan was to fund the assumption of the former lessee’s bank loans; and

**WHEREAS**, on October 30, 2003, a loan agreement for the line of credit and term loan was entered into between the City and Comerica, whereby monthly payments were made to the line of credit, consisting of interest only payments and fully amortized monthly payments of principal and interest were made on the term loan until the maturity date of October 29, 2007; and

**WHEREAS**, the final payment on the term loan will be made on October 29, 2007, and the maturity date for the line of credit can be extended for one year at the request of the City, with Comerica's approval; and

**WHEREAS**, the City desires to negotiate and execute the First Amendment to the Loan Agreement with Comerica to extend the maturity date of the Dolce Hayes Mansion \$5,000,000 line of credit by a period of one year from October 29, 2007 to October 29, 2008;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The Director of Finance is hereby authorized to negotiate and execute the First Amendment to the Loan Agreement with Comerica Bank to extend the maturity date of the Dolce Hayes Mansion \$5,000,000 line of credit by a period of one year from October 29, 2007 to October 29, 2008.

ADOPTED this 23<sup>rd</sup> day of October, 2007, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE,  
LICCARDO, NGUYEN, OLIVERIO, -PYLE, WILLIAMS;  
REED

NOES: NONE

ABSENT: NONE

DISQUALIFIED: NONE

---

CHUCK REED  
Mayor

ATTEST:

---

LEE PRICE, MMC  
City Clerk