

RESOLUTION NO. \_\_\_\_\_

CHULA VISTA MUNICIPAL FINANCING AUTHORITY

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHULA VISTA MUNICIPAL FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A SITE LEASE, LEASE AGREEMENT, INDENTURE, ASSIGNMENT AGREEMENT AND BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF CHULA VISTA MUNICIPAL FINANCING AUTHORITY 2017 LEASE REVENUE BONDS, AUTHORIZING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$72,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Chula Vista Municipal Financing Authority (the “Authority”) is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California one of the members of which is the City of Chula Vista, California (the “City”);

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Act”) to issue bonds for the purpose of assisting local agencies in, among other things, financing or refinancing the cost of public capital improvements whenever the local agency determines that there are significant public benefits from such assistance;

WHEREAS, the City has requested assistance from the Authority to finance the acquisition, construction, equipping and installation of certain capital improvements related to City buildings and infrastructure and the acquisition of certain equipment by the City as set forth in the Infrastructure, Facilities and Equipment Expenditure Plan adopted by the City Council of the City on December 6, 2016 (together, the “Project”);

WHEREAS, the City has made a finding that the Project is located within the boundaries of the City;

WHEREAS, the City has previously held a public hearing on the Project and on the proposed financing of the Project through the preparation, sale and delivery of the “Chula Vista Municipal Financing Authority 2017 Lease Revenue Bonds” (the “Bonds”) in accordance with Section 6586.5 of the Act and adopted its resolution approving the Project and the financing and making a finding of significant public benefit in accordance with the Act;

WHEREAS, the Authority has determined that it is desirable, furthers the public purpose and will result in significant public benefits to the residents of the City, within the meaning of the Act, to assist the City in financing the Project;

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Site Lease between the City and the Authority (the "Site Lease") pursuant to which the City will lease certain real property described therein (the "Leased Property"), subject to adjustment as described in Section 2 below, to the Authority, and a Lease Agreement between the City and the Authority (the "Lease Agreement"), pursuant to which the City will lease the Leased Property back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which will be pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among U.S. Bank National Association (the "Trustee"), the City and the Authority (the "Indenture") the forms of which documents have been presented to this Board of Directors at the meeting at which this Resolution is being adopted;

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement in order to provide, among other things, for the assignment by the Authority to the Trustee, without recourse, of its right, title and interest in and to the Site Lease and the Lease Agreement as and to the extent described therein, including its right to receive the Base Rental Payments under the Lease Agreement;

WHEREAS, the Bonds will be issued pursuant to the Act;

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds to J.P. Morgan Securities, LLC (the "Underwriter");

WHEREAS, the City and the Authority have engaged the Underwriter to underwrite and to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement by and among the City, the Authority and the Underwriter (the "Bond Purchase Agreement");

WHEREAS, a form of the Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") has been prepared;

WHEREAS, the Board of Directors of the Authority (the "Board of Directors") has been presented with the form of each document referred to herein, and the Board of Directors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of the financing of the Project through the preparation, sale and delivery of the Bonds; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, the Board of Directors of the Chula Vista Municipal Financing Authority does hereby resolve as follows:

SECTION 1. All of the recitals herein contained are true and correct and the Board of Directors so finds. The Board of Directors has determined that the City has made a finding that the Authority's assistance in financing the Project by the execution and delivery of the Lease Agreement and related transactions will result in certain of the significant public benefits of the type described in

Section 6586 (a) through (d), inclusive, of the Act, including, but not limited to, demonstrable savings in interest rate by issuing lease revenue bonds rather than certificates of participation and a more efficient delivery of City services to residential and commercial development in the City from undertaking the Project in a timely fashion. The Board of Directors has further determined that the City has made a finding that the Project will be located within the City.

SECTION 2. The forms of the Lease Agreement and the Site Lease, presented to the Board of Directors at this meeting, are hereby approved, and each of the Chairman, Vice Chairman, Executive Director, Chief Financial Officer and Secretary of the Authority, and the Chairman's designee (the "Authorized Officers"), acting alone, is authorized and directed to execute and deliver the Lease Agreement and the Site Lease, respectively, in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Lease Agreement and the Site Lease shall terminate no later than May 1, 2027 (provided that such term may be extended as provided therein). The Leased Property to be included in the Lease Agreement and the Site Lease shall be designated by the City Manager, the Deputy City Manager or the Director of Finance/Treasurer and may include all or a portion of the Leased Property listed in the Lease Agreement and the Site Lease presented to the Board of Directors at this meeting, or such additional real property assets of the City as one of such officers determines is necessary in order to satisfy any legal requirements to enter into the Lease Agreement, based on the advice of the City Attorney or bond counsel, or rating agency requirements to rate the Bonds, with such designation to be conclusively evidenced by the execution and delivery of the Site Lease and Lease Agreement by one or more of such officers of the City and one or more of the Authorized Officers.

SECTION 3. The form of Indenture, presented to the Board of Directors at this meeting, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Bonds shall not exceed \$72,000,000, the final maturity date of the Bonds shall be no later than May 1, 2027, and provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

SECTION 4. The issuance of not to exceed \$72,000,000 aggregate principal amount of Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby authorized and approved.

SECTION 5. The form of Assignment Agreement, presented to the Board of Directors at this meeting, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The Bond Purchase Agreement, presented to the Board of Directors at this meeting, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name of the Authority to execute and deliver the Bond Purchase

Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate Underwriter's discount (not including any original issue discount paid by the Underwriter) in excess of 0.6% of the aggregate principal amount of the Bonds; and provided, further, that the Bond Purchase Agreement shall be executed only if the true interest cost of the Bonds, as determined by the Municipal Advisor (designated in Section 9 below), does not exceed 3%.

SECTION 7. The form of Preliminary Official Statement, presented to the Board of Directors at this meeting, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to make any changes to the form of the Preliminary Official Statement on file in order to make it accurate as of its date and to certify on behalf of the Authority that the Preliminary Official Statement, as revised, is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to the Underwriter a reasonable number of copies of the Preliminary Official Statement.

SECTION 8. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the delivery thereof to the Underwriter. Each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name of and on behalf of the Authority, to deliver the final Official Statement, and any amendment or supplement thereto, to the Underwriter for and in the name and on behalf of the Authority.

SECTION 9. Harrell & Company Advisors, LLC is hereby designated as the Municipal Advisor to the City and the Authority for the Bonds and Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby designated as bond counsel and disclosure counsel for the Bonds, and the Authorized Officers are each hereby authorized and directed, jointly and severally, to execute any and all contracts for services and other documents necessary to procure the services of such firms for the execution and delivery of the Bonds.

SECTION 10. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, approving the payment of the costs of issuance of the Bonds and the execution and delivery of agreements terminating any pre-existing leasehold, subleasehold and other interests with respect to the Leased Property. Specifically and without limiting the foregoing, any Authorized Officer is authorized and directed to solicit and accept bids for bond insurance for the Bonds, provided such officer determines acceptance of the best bid will be cost effective to the Authority, and appropriate changes to each of the documents referenced herein to evidence such bond insurance and the terms thereof, are hereby

authorized and approved. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 11. This Resolution shall take effect from and after its date of adoption.

ADOPTED AND APPROVED this 6<sup>th</sup> day of June, 2017, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Chairman  
Board of Directors  
Chula Vista Municipal Financing Authority

I hereby certify that the foregoing resolution was duly introduced, passed and adopted at the time and place and by the vote as noted above.

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Secretary  
Chula Vista Municipal Financing Authority