

RESOLUTION NO. _____

CHULA VISTA MUNICIPAL FINANCING AUTHORITY

RESOLUTION 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 2016 LEASE REVENUE REFUNDING BONDS, AUTHORIZING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$40,000,000, 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 City of Chula Vista (the “City”) previously financed or refinanced a portion of the costs of the acquisition, construction and installation of certain public capital improvements (the “2006 Project”) within the City and described in the proceedings for the City of Chula Vista 2006 Certificates of Participation (Civic Center Project – Phase 2) (the “2006 Certificates”) and certain public capital improvements (the “2010 Project”) within the City and described in the proceedings for the City of Chula Vista 2010 Certificates of Participation (Capital Facilities Refunding Projects) (the “2010 Certificates”);

WHEREAS, in 2015 the City refinanced a portion of the 2006 Project originally financed with the proceeds of the 2006 Certificates;

WHEREAS, the City is a member of the Authority and the 2006 Project and the 2010 Project are located within the boundaries of the City;

WHEREAS, the City has previously held a public hearing on the refinancing of the 2006 Project and the 2010 Project in all respects in accordance with Section 6586.5 of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act) and adopted its resolution approving the refinancing and making a finding of significant public benefit in accordance with the Act;

WHEREAS, the Authority and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the “Chula Vista Municipal Financing Authority 2016 Lease Revenue Refunding Bonds” (the “Bonds”) for the purpose of refinancing the 2006 Certificates and the 2010 Certificates in order to achieve debt service savings and reduce the total lease payments to be made by the City; and

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 Assets”), 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 Assets 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 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, that all rights to receive the Base Rental Payments under the Lease Agreement have been assigned without recourse by the Authority to the Trustee;

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;

WHEREAS, the City and the Authority have engaged Stifel, Nicolaus & Company, Incorporated to act as underwriter (the “Underwriter”) 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 refinancing of the 2006 Certificates and the 2010 Certificates; 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 and hereby finds that the Authority’s assistance in refinancing the 2006 Project and the 2010 Project by the execution and delivery of the Lease Agreement and related transactions will result in significant public benefits of the type described in Section 6586 (a) through (d), inclusive, of the Act.

SECTION 2. The forms of the Lease Agreement and the Site Lease, on file with the Secretary of the Authority, are hereby approved, and each of the Chairman, Vice Chairman,

Executive Director, Chief Financial Officer and Secretary of the Authority, or the Chairman's designee, (the "Authorized Officers") 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, 2036 (provided that such term may be extended as provided therein). The Leased Assets to be included in the Lease Agreement and the Site Lease shall be designated by the City Manager or the Deputy City Manager, or their designees, and may include all or a portion of the Leased Assets listed in the Lease Agreement and the Site Lease on file with the Secretary of the Authority, 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 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 the Authorized Officers.

SECTION 3. The form of Indenture, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each 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 \$40,000,000, the final maturity date of the Bonds shall be no later than May 1, 2036, 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 \$40,000,000 aggregate principal amount of the 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, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each 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, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each 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) from the principal amount of the Bonds in excess of six-tenths of one percent (0.6%) of the aggregate principal amount of the Bonds; and provided, further, that the Bond Purchase Agreement shall be executed only if the net present value savings realized by the City in terms of reduced lease payments, as confirmed by the City's Municipal Advisor, is not less than

five percent (5%) of the principal amount of the 2006 Certificates and the 2010 Certificates defeased and prepaid.

SECTION 7. The form of Preliminary Official Statement, on file with the Secretary of the Authority, 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 certify on behalf of the Authority that the Preliminary Official Statement 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 prospective bidders for the Bonds 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 execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

SECTION 9. Selection of Professionals. 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. Specifically and without limiting the foregoing, any Authorized Officer is authorized and directed to solicit and accept bids for bond insurance and/or reserve surety for the Bonds, provided such officer determines acceptance of the best bid will result in further debt service savings, and appropriate changes to each of the documents referenced herein to evidence such bond insurance and/or reserve surety 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.

Presented by

David Bilby, MSBA, CPFO
Chief Financial Officer

Approved as to form by

Glen R. Googins
Authority General Counsel