

RESOLUTION NO. MFA 2015 - \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHULA VISTA MUNICIPAL FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF SPECIAL TAX REVENUE REFUNDING BONDS, SERIES 2015A AND REVENUE REFUNDING BONDS, SERIES 2015B, APPROVING THE FORM OF A SEPARATE INDENTURE OF TRUST, BOND PURCHASE CONTRACT, PRELIMINARY OFFICIAL STATEMENT AND CONTINUING DISCLOSURE AGREEMENT FOR EACH SERIES OF SUCH BONDS, AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Chula Vista Municipal Financing Authority (the “Authority”) is a public agency organized under the Joint Exercise of Powers Law of the State of California and is authorized pursuant to said law and the Joint Exercise of Powers Agreement, dated as of June 18, 2013 (the “Agreement”), by and between the City of Chula Vista (the “City”) and the Housing Authority of the City of Chula Vista creating the Authority to borrow money for the purpose of providing for the financing or refinancing for the acquisition, construction and improvement of Public Capital Improvements of any Local Agency, or for any other financing purposes authorized under the Bond Act (each such capitalized term not previously defined in this paragraph shall have the definition provided for such term in the Agreement); and

WHEREAS, the Agreement defines the term “Local Agency” to include the City and any Community Facilities Districts established by the City; and

WHEREAS, the City has previously established the following Community Facilities Districts and, in certain instances, designated Improvement Areas therein pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) and the City of Chula Vista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of Chula Vista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”):

- a. City of Chula Vista Community Facilities District No. 97-3 (Otay Ranch McMillin Spa One);
- b. City of Chula Vista Community Facilities District No. 99-1 (Otay Ranch Spa One – Portions of Village One, Village Five and Village One West);
- c. City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven);
- d. City of Chula Vista Community Facilities District No. 12-I (McMillin – Otay Ranch – Village Seven);

e. City of Chula Vista Community Facilities District No. 13-I (Otay Ranch Village Seven);

f. City of Chula Vista Community Facilities District No. 2000-1 (Sunbow II – Villages 5 through 10); and

g. City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) and Improvement Area A and Improvement Area B therein;

(each a “Community Facilities District” and collectively, the “Community Facilities Districts”); and

WHEREAS, the following series of Special Tax Bonds were issued to finance certain Public Capital Improvements to serve such Community Facilities District or Improvement Area thereof, as applicable:

a. \$16,950,000 City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven) 2006 Special Tax Bonds;

b. \$22,565,000 City of Chula Vista Community Facilities District No. 12-I (McMillin – Otay Ranch – Village Seven) 2005 Special Tax Bonds;

c. \$16,620,000 City of Chula Vista Community Facilities District No. 13-I (Otay Ranch Village Seven) 2006 Special Tax Bonds; and

d. \$12,230,000 City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) 2005 Improvement Area B Special Tax Bonds;

(collectively, the “Prior Special Tax Bonds”); and

WHEREAS, the Chula Vista Public Financing Authority (the “Public Financing Authority”) issued its \$93,930,000 Chula Vista Public Financing Authority Revenue Refunding Bonds, Series 2005A (the “PFA Series 2005A Bonds”) to provide funds, in part, to purchase the following limited obligation refunding bonds and special tax refunding bonds:

a. \$12,010,000 City of Chula Vista Community Facilities District No. 97-3 (Otay Ranch McMillin Spa One) 2005 Special Tax Refunding Bonds;

b. \$44,875,000 City of Chula Vista Community Facilities District No. 99-1 (Otay Ranch Spa One – Portions of Village One, Village Five and Village One West) 2005 Special Tax Refunding Bonds;

c. \$7,560,000 City of Chula Vista Community Facilities District No. 2000-1 (Sunbow II – Villages 5 through 10) 2005 Special Tax Refunding Bonds;

d. \$15,505,000 City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) 2005 Improvement Area A Special Tax Refunding Bonds; and

e. \$10,455,000 City of Chula Vista Reassessment District No. 2005-2 2005 Limited Obligation Refunding Bonds (the “Prior RAD No. 2005-2 Limited Obligation Refunding Bonds”);

(collectively, the “Prior Refunding Bonds”); and

WHEREAS, the City has previously established the City of Chula Vista Reassessment District No. 2015-1 (“Reassessment District”) pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the Streets and Highways Code of the State of California (the “Refunding Act”) to provide for the issuance of Limited Obligation Refunding Bonds (defined below) for the purpose of discharging the Prior RAD No. 2005-2 Limited Obligation Refunding Bonds, and

WHEREAS, as a result of a combination of favorable conditions in the municipal bond market and the level of development, diversity of ownership and increase in value of the properties within the Reassessment District, Community Facilities Districts or the Improvement Areas thereof, as applicable, for which the Prior Refunding Bonds and Prior Special Tax Bonds, as applicable, were issued, the City and the City Council of the City (the “City Council”), acting as the legislative body of the Community Facilities Districts, desires to issue the following bonds for the purpose of defeasing and redeeming the Prior Special Tax Bonds or Prior Refunding Bonds and the PFA Series 2005A Bonds, as applicable, prior to their scheduled maturity in order to reduce the borrowing costs on such indebtedness:

a. the City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$14,000,000;

b. the City of Chula Vista Community Facilities District No. 12-I (McMillin – Otay Ranch – Village Seven) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$11,000,000;

c. the City of Chula Vista Community Facilities District No. 13-I (Otay Ranch Village Seven) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$5,000,000; and

d. the City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) Improvement Area B Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$6,000,000;

((a) through (d) collectively, the “Special Tax Refunding Bonds” or individually, a “Series of Special Tax Refunding Bonds”);

e. the City of Chula Vista Community Facilities District No. 97-3 (Otay Ranch McMillin Spa One) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$7,600,000;

f. the City of Chula Vista Community Facilities District No. 99-1 (Otay Ranch Spa One – Portions of Village One, Village Five and Village One West) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$27,500,000;

g. the City of Chula Vista Community Facilities District No. 2000-1 (Sunbow II – Villages 5 through 10) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$5,250,000;

h. the City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) Improvement Area A Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$8,250,000; and

i. the City of Chula Vista Reassessment District No. 2015-1 Limited Obligation Refunding Bonds, Series 2015 in a principal amount not to exceed \$6,400,000 (the “Limited Obligation Refunding Bonds”);

((e) through (i) collectively, the “Refunding Bonds” or individually, a “Series of Refunding Bonds”); and

WHEREAS, a reduction in such borrowing costs will, in turn, result in a reduction in the rate of assessments or special taxes, as applicable, necessary to be levied within the Reassessment District or Community Facilities Districts or the Improvement Areas thereof, as applicable, thereby resulting in savings to the owners of the properties subject to the levy of such assessments or special taxes, as applicable; and

WHEREAS, the City Council has requested that the Authority issue, sell and deliver its Special Tax Revenue Refunding Bonds, Series 2015A (the “Series 2015A Authority Bonds”) in an aggregate principal amount not to exceed \$36,000,000 to provide funds in order to acquire the Special Tax Refunding Bonds and the Special Tax Refunding Bonds will, in turn, provide funds to finance the defeasance and redemption of the Prior Special Tax Bonds; and

WHEREAS, the City Council has requested that the Authority issue, sell and deliver its Revenue Refunding Bonds, Series 2015B (the “Series 2015B Authority Bonds” and together with the Series 2015A Authority Bonds, the “Authority Bonds”) in an aggregate principal amount not to exceed \$55,000,000 to provide funds in order to acquire the Refunding Bonds and the Refunding Bonds will, in turn provide funds to finance the defeasance and redemption of the PFA Series 2005A Bonds and the discharge of the underlying Prior Refunding Bonds; and

WHEREAS, the Authority Bonds are to be offered by a negotiated sale to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”); and

WHEREAS, there has been prepared and filed with the Secretary of this Board of Directors the forms of the following documents:

A. a separate Indenture of Trust, by and between the Authority and U.S. Bank National Association to serve as trustee (the “Trustee”), establishing the terms and conditions

pertaining to the issuance, sale and administration of each Series of the Authority Bonds (the “Indentures of Trust”);

- B. a separate preliminary official statement for each Series of Authority Bonds describing such Series of the Authority Bonds, the City, the Authority, the Reassessment District, the Community Facilities Districts and the Improvement Areas, as applicable, and the Refunding Bonds and the Series of the Special Tax Refunding Bonds, as applicable (the “Preliminary Official Statements”);
- C. a separate Bond Purchase Contract, among the Authority, the City, the applicable Community Facilities Districts and the Underwriter, establishing the terms and conditions relating to the purchase of the applicable series of the Authority Bonds by the Underwriter and to the purchase of the Refunding Bonds or Special Tax Refunding Bonds, as applicable, by the Authority (each a “Bond Purchase Contract”); and
- D. a separate Continuing Disclosure Agreement between the Authority and NBS, acting as dissemination agent, to provide continuing disclosure of certain information specified therein pertaining to the applicable Series of the Authority Bonds, the Refunding Bonds and the Special Tax Refunding Bonds, as applicable, the Reassessment District, the Community Facilities Districts and the Improvement Areas of the related Community Facilities Districts, as applicable (each a “Continuing Disclosure Agreement”); and

WHEREAS, this Board has reviewed and considered such Indentures of Trust, Preliminary Official Statements, Bond Purchase Contracts and Continuing Disclosure Agreements, and finds those documents suitable for approval, subject to the conditions set forth in this resolution; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of each Series of the Authority Bonds as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed or have been ordered to have been performed in due time, form and manner as required by the laws of the State of California.

NOW, THEREFORE, BE IT RESOLVED, AND DETERMINED:

SECTION 1. Recitals. The above recitals are true and correct.

SECTION 2. Approval of Issuance and Sale of Authority Bonds. This Board of Directors hereby approves the issuance and sale of each Series of the Authority Bonds by negotiated sale to the Underwriter. The proceeds of the Authority Bonds shall be expended to purchase, as applicable, the Refunding Bonds and the Special Tax Refunding Bonds.

SECTION 3. Indentures of Trust. The form of the Indenture of Trust relating to each Series of the Authority Bonds presented at this meeting is hereby approved. The Executive Director, the Chief Financial Officer or an authorized designee of the Executive Director or the Chief

Financial Officer (each, an “Authorized Officer”), acting for and on behalf of the Authority, are, and each of them is, hereby authorized and directed to execute, acknowledge and deliver each Indenture of Trust in substantially the form approved hereby, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve as being in the best interests of the Authority, and as approved as to form by the legal advisor to the Authority or his specified designee (“Authority General Counsel”) and Best Best & Krieger LLP, as bond counsel (“Bond Counsel”) or, Strading, Yocca, Carlson & Rauth, P.C., as disclosure counsel (“Disclosure Counsel”), in the case of the Bond Purchase Contracts, the Continuing Disclosure Agreements, the Preliminary Official Statements and the Final Official Statements, such approval to be conclusively evidenced by the execution and delivery thereof by such Authorized Officer.

SECTION 4. Bond Purchase Contract for Series 2015A Authority Bonds. The form of the Bond Purchase Contract for the Series 2015A Authority Bonds presented at this meeting and the sale of the 2015A Authority Bonds pursuant thereto is hereby approved. The Authorized Officers, acting for and on behalf of the Authority, are, and each of them is, hereby authorized and directed to evidence the Authority's acceptance of the terms and provisions of such Bond Purchase Contract by executing and delivering such Bond Purchase Contract, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve as being in the best interests of the Authority, and as approved as to form by the Authority General Counsel and Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by such Authorized Officer; provided, however, that the Authorized Officer shall execute such Bond Purchase Contract only if (a) the aggregate principal amount of the Series 2015A Authority Bonds is equal to or less than \$36,000,000; (b) the City Manager shall have determined that as a result of the sale of the Series 2015A Authority Bonds, as to each series of the Special Tax Refunding Bonds, to be defeased and refunded, the total interest cost to maturity of such Special Tax Refunding Bonds, plus the principal amount of such Special Tax Refunding Bonds, will not exceed the total interest cost to maturity on the series of the Prior Special Tax Bonds being discharged, plus the principal amount of such Prior Special Tax Bonds, (c) that either (i) the net effective present value savings resulting from the defeasance and refunding of each such series of Prior Special Tax Bonds, shall be at least five percent (5.00%) of the principal amount refunded or (ii) for any series of the Prior Special Tax Bonds where such minimum level of present value of savings is not achieved, the City Manager has determined, in his professional judgment following consideration of the recommendation of the Deputy City Manager, that such refunding will result in such a level of annual savings that such refunding will nevertheless be in the best interests of the affected property owners, and (d) the final maturity of the Series 2015A Authority Bonds shall not be later than September 1, 2036.

SECTION 5. Bond Purchase Contract for Series 2015B Authority Bonds. The form of the Bond Purchase Contract for the Series 2015B Authority Bonds presented at this meeting and the sale of the Series 2015B Authority Bonds pursuant thereto is hereby approved. The Authorized Officers, acting for and on behalf of the Authority, are, and each of them is, hereby authorized and directed to evidence the Authority's acceptance of the terms and provisions of the Bond Purchase Contract by executing and delivering the Bond Purchase Contract, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve as being in the best interests of the Authority, and as approved as to form by the Authority General Counsel and Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by such

Authorized Officer; provided, however, that the Authorized Officer shall execute the Bond Purchase Contract only if (a) the aggregate principal amount of the Series 2015B Authority Bonds is equal to or less than \$55,000,000; (b) that either (i) the City Manager shall have determined that as a result of the sale of the Series 2015B Authority Bonds the net effective present value savings resulting from the defeasance and refunding of the PFA Series 2005A Bonds shall be at least five percent (5.00%) of the principal amount refunded or (ii) if such minimum level of present value savings is not achieved, the City Manager has determined, in his professional judgment following consideration of the recommendation of the Deputy City Manager, that such refunding will result in such a level of annual savings that such refunding will nevertheless be in the best interests of the affected property owners; and (c) the final maturity of the Series 2015B Authority Bonds shall not be later than September 1, 2032.

SECTION 6. Continuing Disclosure Agreements. The forms of the Continuing Disclosure Agreements presented at this meeting are hereby approved. The Authorized Officers, acting for and on behalf of the Authority, are, and each of them is, hereby authorized and directed to evidence the Authority's acceptance of the terms and provisions of the Continuing Disclosure Agreements by executing and delivering the Continuing Disclosure Agreements, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve as being in the best interests of the Authority, and as approved as to form by the Authority General Counsel and Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by such Authorized Officer

SECTION 7. Approval of Preliminary Official Statements and Final Official Statements. The forms of Preliminary Official Statements presented at this meeting are hereby approved. The Authorized Officers, acting for and on behalf of the Authority, are, and each of them is, hereby authorized and directed to approve such changes, insertions and omissions therein as are necessary to enable such Authorized Officer to certify on behalf of the Authority that the approved Preliminary Official Statements are deemed final as of their date except for the omission of certain information as permitted by Section 240.15c2-12(b) (1) of Title 17 of the Code of Federal Regulations. The Authorized Officers, acting for and on behalf of the Authority, are, and each of them, is further authorized and directed to cause the Authority to bring the Preliminary Official Statements into the form of a final official statement for each individual preliminary official statement (the "Final Official Statements") and to execute a statement that the facts contained in the Final Official Statements, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the applicable Series of the Authority Bonds, true and correct in all material respects and that the Final Official Statements did not, on the date of sale of the Authority Bonds, and do not, as of the date of delivery of the Authority Bonds, contain any untrue statement of a material fact with respect to the Authority or omit to state material facts with respect to the Authority or the Authority Bonds required be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statements to persons who may be interested in the purchase of the Authority Bonds and is directed to deliver copies of the Final Official Statement to actual purchasers of the Authority Bonds.

SECTION 8. Official Action. The Chairperson, the Vice-Chairperson, the Secretary, the Authorized Officers and any and all other officers of the Authority are hereby authorized and directed, jointly and severally, for and in the name of the Authority, to do any and all things and take any and all actions, including without limitation, the execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary and advisable in order to consummate the transactions contemplated by the documents approved pursuant to this Resolution and any such actions previously taken by such officers are hereby ratified and confirmed. In the event any such officer is unavailable or unable to execute and deliver any of the above-referenced documents, any other officer of the Authority may validly execute and deliver such document.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

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Maria Kachadoorian  
Chief Financial Officer

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Glen R. Googins  
General Counsel