

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
RESOLUTION NO. ____**

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS, SERIES 2021 (TAXABLE) TO REFINANCE CERTAIN CAPITAL IMPROVEMENTS; AUTHORIZING EXECUTION AND DELIVERY OF A THIRD SUPPLEMENT TO MASTER TRUST AGREEMENT, A THIRD AMENDMENT TO MASTER FACILITIES LEASE, A THIRD AMENDMENT TO MASTER FACILITIES SUBLEASE, A BOND PURCHASE AGREEMENT AND ESCROW AGREEMENTS; APPROVING THE FORM OF OFFICIAL STATEMENT; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE FINANCING

WHEREAS, the City of Moreno Valley (the “**City**”) and the former Community Redevelopment Agency of the City of Moreno Valley (the “**Agency**”) have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “**Joint Powers Agreement**”), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the “**Authority**”);

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “**Marks-Roos Local Bond Pooling Act of 1985**”) and the Joint Powers Agreement, the Authority is authorized to issue bonds for the purposes of financing and refinancing public capital improvements whenever there are significant public benefits to be realized;

WHEREAS, the City previously leased certain real property and improvements thereon (the “**Facilities**”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “**2015 Master Facilities Lease**”);

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “**2015 Master Facilities Sublease**”);

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “**Series 2015 Bonds**”) pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “**2015 Master Trust Agreement**”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “**Trustee**”);

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the City previously leased certain real property and improvements thereon, as additions to the Facilities, to the Authority pursuant to a First Amendment to Master Facilities Lease, dated as of December 1, 2016 (the “**First Amendment to Master Facilities Lease**” and, together with the 2015 Master Facilities Lease, the “**2016 Master Facilities Lease**”);

WHEREAS, the Authority subleased such real property and improvements thereon, as additions to the Facilities, back to the City pursuant to a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 (the “**First Amendment to Master Facilities Sublease**” and, together with the 2015 Master Facilities Sublease, the “**2016 Master Facilities Sublease**”);

WHEREAS, the Authority issued its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “**Series 2016 Bonds**”) pursuant to a First Supplement to Master Trust Agreement, dated as of December 1, 2016 (the “**First Supplement to Master Trust Agreement**” and, together with the 2015 Master Trust Agreement, the “**2016 Master Trust Agreement**”);

WHEREAS, the proceeds of the Series 2016 Bonds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds (the “**2016 Refunding Project**”);

WHEREAS, the City previously leased to the Authority the real property and improvements thereon that were added to the Facilities pursuant to the First Amendment to Master Facilities Lease pursuant to a Second Amendment to Master Facilities Lease, dated as of April 1, 2019 (the “**Second Amendment to Master Facilities Lease**” and, together with the 2016 Master Facilities Lease, the “**2019 Master Facilities Lease**”);

WHEREAS, the Authority subleased such real property and improvements thereon back to the City pursuant to a Second Amendment to Master Facilities Sublease, dated as of April 1, 2019 (the “**Second Amendment to Master Facilities Sublease**” and, together with the 2016 Master Facilities Sublease, the “**2019 Master Facilities Sublease**”);

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2019 (Taxable) (the “**Series 2019 Bonds**”) pursuant to a Second Supplement to Master Trust Agreement, dated as of April 1, 2019 (the “**Second Supplement to Master Trust Agreement**” and, together with the 2016 Master Trust Agreement, the “**2019 Master Trust Agreement**”);

WHEREAS, the proceeds of the Series 2019 Bonds were applied by the City to finance the 2019 Project, as defined in the 2019 Master Trust Agreement;

WHEREAS, the Authority desires to issue its Lease Revenue Refunding Bonds, Series 2021 (Taxable) (the “**Series 2021 Bonds**”) pursuant to a Third Supplement to Master Trust Agreement (the “**Third Supplement to Master Trust Agreement**” and, together with the 2019 Master Trust Agreement, the “**2021 Master Trust Agreement**”), the proceeds of which will be applied by the City: (i) to refinance the 2015 Project and refund the Series 2015 Bonds for debt service savings; and (ii) to refinance the 2016 Refunding Project and refund the Series 2016 Bonds for debt service savings;

WHEREAS, in order to refinance the 2015 Project and the 2016 Refunding Project, the Authority and the City are entering into a Third Amendment to Master Facilities Lease in order to amend the 2019 Master Facilities Lease (as so amended, the “**2021 Master Facilities Lease**”): (i) to cause the real property and improvements thereon which were the subject of the 2016 Master Facilities Lease to serve as the leased assets for the Third Amendment to Master Facilities Lease; and (ii) to make certain other modifications in order to provide for the issuance of the Series 2021 Bonds in accordance with the provisions of the 2021 Master Trust Agreement;

WHEREAS, in order to refinance the 2015 Project and the 2016 Refunding Project, the Authority and the City are also entering into a Third Amendment to Master Facilities Sublease in order to amend the 2019 Master Facilities Sublease (as so amended, the “**2021 Master Facilities Sublease**”): (i) to cause the real property and improvements thereon which were the subject of the 2016 Master Facilities Sublease to serve as the leased assets for the Third Amendment to Master Facilities Sublease; (ii) to adjust the base rental payments payable thereunder to reflect the debt service payable on the Series 2021 Bonds; and (iii) to make certain other modifications in order to provide for the issuance of the Series 2021 Bonds in accordance with the provisions of the 2021 Master Trust Agreement;

WHEREAS, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided in the 2021 Master Facilities Sublease, in any year is not in excess of the annual fair rental value of the Facilities;

WHEREAS, the Authority and the City desire to enter into a Bond Purchase Agreement with the Underwriter governing the terms of the Underwriter’s purchase of the Series 2021 Bonds;

WHEREAS, the City and the Authority desire to enter into an Escrow Agreement (2015 Bonds) (the “**2015 Escrow Agreement**”) with Wells Fargo Bank, National Association, as the trustee for the Series 2015 Bonds, in order to effect the refunding of the Series 2015 Bonds;

WHEREAS, the City and the Authority desire to enter into an Escrow Agreement (2016 Bonds) (the “**2016 Escrow Agreement**” and, together with the 2015 Escrow Agreement, the “**Escrow Agreements**”) with Wells Fargo Bank, National Association, as the trustee for the Series 2016 Bonds, in order to effect the refunding of the Series 2016 Bonds;

WHEREAS, there have been submitted to and are on file with the Secretary proposed forms of the Third Supplement to Master Trust Agreement, Third Amendment to Master Facilities Lease, the Third Amendment to Master Facilities Sublease, the Bond Purchase Agreement, the Escrow Agreements, an Official Statement with respect to the Series 2021 Bonds proposed to be sold by the Authority, and the Third Supplement to Master Trust Agreement; and

WHEREAS, the issuance of the Series 2021 Bonds by the Authority and the execution and delivery of the Third Supplement to Master Trust Agreement, the Third Amendment to Master Facilities Lease and the Third Amendment to Master Facilities Sublease by the Authority will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs and a more efficient delivery of City services to residential and commercial development, and it furthers the City’s public purpose to refinance the 2015 Project and refund the Series 2015 Bonds and to refinance the 2016 Refunding Project and refund the Series 2016 Bonds;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES AS FOLLOWS:

Section 1. All of the recitals set forth above are true and correct, and the Board of Directors so finds and determines.

Section 2. The Board hereby approves the issuance of the Series 2021 Bonds by the Authority, in an aggregate principal amount not to exceed \$35,000,000, to refinance the 2015 Project

and refund the Series 2015 Bonds and to refinance the 2016 Refunding Project and refund the Series 2016 Bonds; provided that the maturity date or dates (not to exceed May 1, 2045), interest rate or rates (not to exceed a true interest cost of 5.00% per annum), interest payment dates, series, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Series 2021 Bonds shall be as provided in the Third Supplement to Master Trust Agreement, as finally executed. The Chair, the Vice Chair, the Executive Director, the Treasurer and the Secretary (the “**Authorized Officers**”) of the Authority are hereby directed to perform the duties, if any, imposed upon each of them by the provisions of the financing documents approved herein, including the Third Supplement to Master Trust Agreement, the Third Amendment to Master Facilities Sublease, the Third Amendment to Master Facilities Lease and the Bond Purchase Agreement.

Section 3. The proposed form of Third Supplement to Master Trust Agreement, by and between the Authority and Wells Fargo Bank, National Association, on file with the Secretary, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Third Supplement to Master Trust Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Third Amendment to Master Facilities Lease, by and between the City and the Authority, on file with the Secretary, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Third Amendment to Master Facilities Lease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said Third Amendment to Master Facilities Lease shall end no later than May 1, 2045, plus an extension period of not to exceed 10 years.

Section 5. The proposed form of Third Amendment to Master Facilities Sublease, by and between the Authority and City, on file with the Secretary, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Third Amendment to Master Facilities Sublease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said Third Amendment to Master Facilities Sublease shall end no later than May 1, 2045, plus an extension period of not to exceed 10 years.

Section 6. The proposed form of Bond Purchase Agreement, by and among the Underwriter, the Authority and the City, on file with the Secretary, is hereby approved. The Authorized Officers, jointly and severally, or any such officer’s designee, are each hereby authorized and directed, on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriting discount (not including original issue discount) shall not exceed 1.00% of the aggregate principal amount of the Series 2021 Bonds.

Section 7. The proposed forms of Escrow Agreements, on file with the Secretary, are hereby approved. The Authorized Officers, jointly and severally, or any such officer’s designee, are

each hereby authorized and directed, on behalf of the Authority, to execute and deliver the Escrow Agreements in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The proposed form of Official Statement relating to the Series 2021 Bonds, in its preliminary form on file with the Secretary, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a final Official Statement in substantially the form of such preliminary Official Statement, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Series 2021 Bonds. Distribution by the Underwriter of the preliminary Official Statement relating to the Series 2021 Bonds is hereby approved and the Authorized Officers, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been “deemed final” by the Authority for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Section 9. The Authorized Officers and Board members of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates or revise any and all documents approved herein which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to taking such steps as may be necessary to record or cause to be recorded the Third Supplement to Master Trust Agreement, Third Amendment to Master Facilities Lease and Third Amendment to Master Facilities Sublease in the Office of the Riverside County Recorder, to execute and record or cause to be recorded termination agreements or quitclaims in connection with the refunding of the Series 2015 Bonds and the Series 2016 Bonds in the Office of the Riverside County Recorder, to execute escrow and/or redemption instructions, as may be necessary to refund the Series 2015 Bonds and the Series 2016 Bonds and to obtain bond insurance and/or a reserve fund surety policy to support the Series 2021 Bonds.

Section 10. All actions heretofore taken by the Authorized Officers and other officers and agents of the Authority, or by the members of the Board of Directors of the Authority, with respect to the financing are hereby ratified, confirmed and approved.

Section 11. This Resolution shall take effect from and after its adoption and approval.

APPROVED AND ADOPTED this September 7, 2021.

Chairperson

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

SECRETARY'S CERTIFICATE

The undersigned, Secretary of the Moreno Valley Public Financing Authority, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the Board of Directors of the Moreno Valley Public Financing Authority at a regular meeting of said Board duly and regularly and legally held at the Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on September 7, 2021, of which all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2021

Pat Jacquez-Nares
Secretary of the Moreno Valley Public
Financing Authority

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