

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
RESOLUTION NO.
SERIES 2018

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY REVENUE BONDS, AUTHORIZING AND DIRECTING EXECUTION OF RELATED DOCUMENTS, INCLUDING A SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT AND AN OFFICIAL STATEMENT, DECLARING THE INTENTION TO REIMBURSE CERTAIN EXPENDITURES, AND AUTHORIZING OFFICIAL ACTIONS

RESOLVED, by the Board of Directors of the Mountain View Shoreline Regional Park Community (the "Shoreline Community") that:

WHEREAS, the Shoreline Community is a public body, corporate and politic, duly created, established, and authorized to transact business and exercise powers under and pursuant to the provisions of the Mountain View Shoreline Regional Park Community Act of the State of California, consisting of Chapter 1109 of the California Statutes of 1969 (the "Law"); and

WHEREAS, the Board of Directors approved the North Bayshore Area Plan, as amended (the "Plan") as the official plan for the Shoreline Community pursuant to: (i) Resolution No. S-33, adopted on December 15, 1977 ("Resolution No. S-33"); (ii) Resolution No. S-43, adopted on March 26, 1979; and (iii) Resolution No. S-95, adopted on July 27, 1993; and

WHEREAS, under Section 42 of the Act, the Shoreline Community may acquire, construct, reconstruct, alter, enlarge, lay, renew, and replace certain facilities and works used or useful for the purposes specified in Section 42; and

WHEREAS, under Section 49 of the Act, the Shoreline Community may provide for such residential, commercial, industrial, public or other structures or spaces as may be appropriate or necessary in the interest of the general welfare; and

WHEREAS, under Section 50 of the Act, the Shoreline Community may take, acquire, hold, use, and dispose of property of every kind within the Shoreline Community area necessary, expedient, or advantageous to the full exercise and economic enjoyment of its purposes and powers; and

WHEREAS, under Section 43 of the Act, the Shoreline Community may acquire, develop, improve, enlarge, redevelop, renew, replace, maintain, operate, and administer the Park; and

WHEREAS, the Shoreline Community is authorized under the Plan to use Shoreline Community funds pay the costs of maintaining and operating the improvements and programs described in the Plan; and

WHEREAS, under Section 52 of the Act, the Shoreline Community may make and accept contracts that, in the judgment of the Board of Directors, are necessary or proper in the exercise of any of Shoreline Community's powers, including those powers enumerated in Sections 42, 43, 49 and 50 of the Act; and

WHEREAS, under Section 130 of the Act, the Shoreline Community is authorized to issue bonds from time to time for any of its corporate purposes; and

WHEREAS, the Shoreline Community previously issued the following revenue bonds:

(i) 1992 Revenue Bonds pursuant to that certain Indenture of Trust, dated as of April 1, 1992 (the "Master Indenture"), between U.S. Bank National Association, as successor trustee (the "Trustee"), and the Shoreline Community; and

(ii) Tax Allocation Bonds, 1993 Series A pursuant to a First Supplemental Indenture of Trust, dated as of August 1, 1993, between the Shoreline Community and the Trustee; and

(iii) Tax Allocation Bonds, 1996 Series A pursuant to a Second Supplemental Indenture of Trust, dated as of August 1, 1996, between the Shoreline Community and the Trustee; and

(iv) Tax Allocation Revenue Bonds, 2001 Series A pursuant to a Third Supplemental Indenture of Trust, dated as of July 1, 2001, between the Shoreline Community and the Trustee; and

(v) Tax Allocation Revenue Bonds, 2004 Series A pursuant to a Fourth Supplemental Indenture of Trust, dated as of January 1, 2004, between the Shoreline Community and the Trustee; and

(vi) Tax Allocation Revenue Bonds, 2011 Series A (the "2011 Bonds") pursuant to a Fifth Supplemental Indenture of Trust, dated as of July 1, 2011, between the Shoreline Community and the Trustee; and

WHEREAS, the 2011 Bonds are the only outstanding bonds; and

WHEREAS, the Shoreline Community wishes to issue its two (2) series of revenue bonds (together, the "2018 Bonds") under a Sixth Supplemental Indenture of Trust, to fund public improvements authorized by the Law (together, the "2018 Project"), including the acquisition and construction of a bicycle/pedestrian overcrossing of U.S. Highway 101 at Shoreline Boulevard, a freeway off-ramp at Shoreline Boulevard, a Shoreline Boulevard reversible bus lane, improvements related to realignment of Plymouth Street and the Shoreline Boulevard bus line extension, improvements to Shoreline Lake, and facilities for training of Police/Fire staff; and

WHEREAS, the Board of Directors has determined that the issuance of the 2018 Bonds to finance the 2018 Project is appropriate and necessary in the interest of the general welfare and necessary to the full exercise and economic enjoyment of the Shoreline Community's purposes and powers; and

WHEREAS, the 2018 Bonds will be payable from Tax Revenues (as defined in the Master Indenture) on a parity basis with the 2011 Bonds; and

WHEREAS, the firm of Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has proposed to purchase and underwrite the 2018 Bonds in accordance with the terms of a bond purchase agreement for the 2018 Bonds, to be entered into between the Shoreline Community and the Underwriter (the "Bond Purchase Agreement"), and the Shoreline Community has caused to be prepared a form of Preliminary Official Statement describing the 2018 Bonds, to be used by the Underwriter in connection with the marketing of the 2018 Bonds; and

WHEREAS, in accordance with Government Code Section 5852.1, the Shoreline Community has obtained and wishes to disclose the information set forth in Appendix A hereto; and

WHEREAS, the Shoreline Community proposes to use a portion of the proceeds of the 2018 Bonds to reimburse expenditures made for the 2018 Project prior to the issuance of the 2018 Bonds; and

WHEREAS, United States Income Tax Regulations, Section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, the Shoreline Community has duly considered such transactions and wishes at this time to approve said transactions and the documents to which the Shoreline Community is a party related thereto, as being in the public interest of the Shoreline Community;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Mountain View Shoreline Regional Park Community as follows:

Section 1. Findings. The Board of Directors hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the Board of Directors' adoption of this Resolution.

Section 2. Issuance of 2018 Bonds; Approval of Sixth Supplemental Indenture of Trust; Reimbursement of Prior Expenditures. The Shoreline Community hereby authorizes the issuance of the 2018 Bonds under and pursuant to the Law, in the maximum principal amount of Seventy-Two Million Dollars (\$72,000,000) in order to finance the 2018 Project. The 2018 Bonds shall consist of the following:

- Mountain View Shoreline Regional Park Community Revenue Bonds, 2018 Series A (Tax-Exempt) (the "2018-A Bonds"), the interest on which is excluded from gross income for federal income tax purposes, and
- Mountain View Shoreline Regional Park Community Revenue Bonds, 2018 Series B (Federally Taxable) (the "2018-B Bonds"), the interest on which is subject to Federal income taxation.

The 2018 Bonds shall be issued pursuant to the Sixth Supplemental Indenture of Trust, which is hereby approved in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Shoreline Community Manager or Treasurer, upon consultation with the Shoreline Community Counsel and Jones Hall, A Professional Law Corporation, appointed as bond counsel in Section 6 hereof ("Bond Counsel"). The execution of the Sixth Supplemental Indenture of Trust by the Shoreline Community Manager or Treasurer shall be conclusive evidence of the approval of any such additions and changes. The Shoreline Community hereby authorizes and directs the Shoreline Community Manager or Treasurer to execute on behalf of the President and the Secretary to attest and deliver the final form of the Sixth Supplemental Indenture of Trust for and in the name of the Shoreline Community. The Shoreline Community hereby authorizes the delivery and performance by the Shoreline Community of the Sixth Supplemental Indenture.

The Shoreline Community hereby declares that it reasonably expects: (i) to pay certain costs of the 2018 Project prior to the date of issuance of the 2018 Bonds; and (ii)

to use a portion of the proceeds of the 2018 Bonds for reimbursement of expenditures for the 2018 Project that are paid before the date of issuance of the 2018 Bonds.

Section 3. Sale of 2018 Bonds. The Shoreline Community hereby approves the sale of the 2018 Bonds to the Underwriter, pursuant to the Bond Purchase Agreement, in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Shoreline Community Manager or Treasurer, upon consultation with Shoreline Community Counsel and Bond Counsel, and the execution of the Bond Purchase Agreement by the Shoreline Community Manager or Treasurer shall be conclusive evidence of the approval of any such additions and changes. The Shoreline Community Manager or Treasurer is hereby authorized and directed to execute on behalf of the President and deliver the final form of the Bond Purchase Agreement for and in the name and on behalf of the Shoreline Community, upon the submission of an offer by the Underwriter to purchase the 2018 Bonds, so long as: (i) the Underwriter's discount for each series of 2018 Bonds does not exceed 0.5 percent and the true interest cost of each series of 2018 Bonds does not exceed five percent (5%).

Section 4. Proposed Amendments. Staff has proposed to the Board of Directors a handful of amendments (the "Proposed Amendments") of the Master Indenture, as previously supplemented and amended by the Supplemental Indentures of Trust described above (as amended and supplemented, the "Indenture"), that are in the public interest of the Shoreline Community, including changes related to the conditions for issuing Parity Bonds under the Indenture and the provisions related to debt service reserve funds. The Proposed Amendments are set forth in the Sixth Supplemental Indenture of Trust on file with the Secretary. Section 7.01 of the Indenture authorizes the Proposed Amendments only with the approval of the owners of a majority of the principal amount of the bonds then outstanding under the Indenture. Because only the 2011 Bonds and the 2018 Bonds will be outstanding after the Shoreline Community issues the 2018 Bonds, and because the principal amount of the 2018 Bonds will be greater than the outstanding principal amount of the 2011 Bonds, the Shoreline Community intends to comply with Section 7.01 by providing in the Sixth Supplemental Indenture of Trust that the purchase of the 2018 Bonds will constitute the written approval of the Proposed Amendments by the owners of the 2018 Bonds.

The Shoreline Community hereby authorizes the following procedure for obtaining approval of the Proposed Amendments in compliance with Sections 7.01 and 7.02(g) of the Indenture:

1. Following adoption of this Resolution, staff will cause this Resolution and a notice of the Proposed Amendments to be mailed to the owners of the 2011 Bonds at the address registered with the Trustee. Because the 2011 Bonds are held in book-entry-only form at The Depository Trust Company, there is a single registered owner of the 2011 Bonds. The notice will not request the written consent of the owner of the 2011

Bonds because the written consent of the owners of the 2018 Bonds will be sufficient for purposes of Section 7.01 of the Indenture. Staff will also cause this Resolution and the notice to be posted on the Electronic Municipal Market Access website (“EMMA”) hosted by the Municipal Securities Rulemaking Board (“MSRB”). Upon mailing and posting this Resolution and the notice of the Proposed Amendments, the Secretary will certify in writing that this Resolution and notice have been mailed and posted as described in this paragraph; pursuant to Section 7.02(g) of the Indenture, such certification will be conclusive as against all parties and is hereby approved.

2. The Sixth Supplemental Indenture will provide that upon issuance of the 2018 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the owners of the 2018 Bonds to the Proposed Amendments, which consent will constitute the approval of the owners of a majority of the principal amount of the bonds then outstanding under the Indenture.

3. Within sixty (60) days after the 2018 Bonds have been issued, the Shoreline Community will adopt a resolution accepting the consent of the initial owners of the 2018 Bonds, and that resolution will constitute complete evidence of the consent of the owners of the bonds outstanding under the Indenture. Staff will cause an informational notice of the Proposed Amendments to be mailed to the owners of the 2011 Bonds and cause the notice to be posted on EMMA.

Section 5. Official Statement. The Shoreline Community hereby approves, and hereby authorizes the Shoreline Community Manager or Treasurer on behalf of the President to deem final within the meaning of Rule 15(c) 2-12 of the Securities Exchange Act of 1934 except for permitted omissions, a preliminary form of Official Statement describing the Shoreline Community, the 2018 Bonds, and the security therefor. The Shoreline Community hereby authorizes the Underwriter to distribute the preliminary Official Statement. The Shoreline Community Manager or Treasurer is hereby authorized to execute on behalf of the President the final form of the Official Statement, including as it may be modified by such additions thereto and changes therein as the Shoreline Community Manager or Treasurer shall deem necessary, desirable, or appropriate, and the execution of the final Official Statement by the Shoreline Community Manager or Treasurer on behalf of the President shall be conclusive evidence of the approval of any such additions and changes. The Shoreline Community hereby authorizes the Underwriter to distribute the final Official Statement.

Section 6. Appointment of Bond Counsel, Disclosure Counsel, and Municipal Advisor. Jones Hall, A Professional Law Corporation, is hereby appointed Bond Counsel and disclosure counsel in connection with the 2018 Bonds, and the Shoreline Community Manager or Treasurer is hereby authorized to execute on behalf of the President an agreement for legal services with Jones Hall relating to the 2018 Bonds in substantially the form on file with the Secretary.

Public Financial Management (“PFM”) is hereby appointed as municipal advisor to the Shoreline Community in connection with the 2018 Bonds, and the Shoreline Community Manager or Treasurer is hereby authorized to execute on behalf of the President an agreement for municipal advisor services with PFM relating to the 2018 Bonds in substantially the form on file with the Secretary.

Section 7. Official Actions. The President, the Shoreline Community Manager, the Treasurer, the Secretary, and any and all other officers of the Shoreline Community are hereby authorized and directed, for and in the name and on behalf of the Shoreline Community, to take such actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents and other documents that are consistent with the intent of this Resolution, and that are necessary or advisable to consummate the transactions contemplated by the documents approved pursuant to this Resolution. By executing this Resolution below, the President shall be deemed to have delegated his statutory authority to execute contracts, deeds, warrants, releases, receipts, and documents in connection with the matters addressed in this Resolution to the Shoreline Community Manager, the Treasurer, and such other officers as are delegated such responsibility by the Shoreline Community Manager or the Treasurer.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

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546-11-13-18r-1

Appendix: A. Government Code Section 5852.1 Disclosure

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Shoreline Community's municipal advisor and has been represented by such party to have been provided in good faith:

2018-A Bonds:

- (A) True Interest Cost: 4.54 percent
- (B) Finance Charge (Sum of all fees/charges paid to third parties): \$543,548.00
- (C) Net Proceeds to be Received (net of finance charges, reserves and capitalized interest, if any): \$58,600,000.00
- (D) Total Payment Amount through Maturity: \$120,462,382.00

2018-B Bonds:

- (A) True Interest Cost: 4.35 percent
- (B) Finance Charge (Sum of all fees/charges paid to third parties): \$152,855.00
- (C) Net Proceeds to be Received (net of finance charges, reserves and capitalized interest, if any): \$10,200,000.00
- (D) Total Payment Amount Through Maturity: \$14,717,252.00

The foregoing estimates constitute good-faith estimates only. The principal amount of the 2018 Bonds, the true interest cost of the 2018 Bonds, the finance charges thereof, the amount of proceeds received therefrom, and total payment amount with respect thereto may differ from such good-faith estimates due to: (a) the actual date of the sale of the 2018 Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of 2018 Bonds sold being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the 2018 Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the 2018 Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Shoreline Community's financing plan, or a combination of such factors. The actual date of sale of the 2018 Bonds and the actual principal amount of 2018 Bonds sold will be determined by the Shoreline Community based on the timing of the need for proceeds of the 2018 Bonds and other factors. The actual interest rates

borne by the 2018 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2018 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Shoreline Community.

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