

RESOLUTION NO. 2026-048

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHINO, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, LEASE AGREEMENT, INDENTURE, SUPPLEMENTAL AGREEMENT, TERM SHEET, AND PLACEMENT AGENT AGREEMENT IN CONNECTION WITH THE ISSUANCE OF THE CITY OF CHINO PUBLIC FINANCING AUTHORITY 2026 LEASE REVENUE BOND, APPROVING THE ISSUANCE OF SUCH BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,500,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City of Chino, California (the “City”) is a general law city and municipal corporation duly organized and existing under the laws of the State of California; and

WHEREAS, the City of Chino Public Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing pursuant to the laws of the State of California and that certain Joint Exercise of Powers Agreement, dated as of December 1, 1998, between the City and the Successor Agency to the Redevelopment Agency of the City of Chino, as successor to the former Redevelopment Agency of the City of Chino (the “Joint Powers Agreement”); and

WHEREAS, pursuant to the Joint Powers Agreement and Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to lease and sublease lands, structures, real or personal property, and other interests in lands that are located within the State of California that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof; and

WHEREAS, the City and the Authority desire to finance all or a portion of the costs to acquire real property located at 13272 6th Street, Chino, California and related project costs (the “Project”); and

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

WHEREAS, the Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “City of Chino Public Financing Authority 2026 Lease Revenue Bond” (the “Bond”) for the purpose of financing all or a portion of the Project; and

WHEREAS, to facilitate the issuance of the Bond, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property, which real property shall initially consist of the Senior Center located at 13170 Central Avenue, Chino, California (the “Leased Asset”), 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 Asset 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 Bond by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “Indenture”); and

WHEREAS, following distribution to various direct placement banks of a request for proposals, the City and the Authority have been presented with a term sheet from BMO Bank N.A. (together with any affiliates thereof, the “Purchaser”), pursuant to which the Purchaser has offered to purchase the Bond through a direct placement; and

WHEREAS, the City and the Authority have determined that a direct placement sale of the Bond to the Purchaser will result in a significant public benefit to the City, taking into consideration the expected lower administrative expenses and the ability to facilitate a more efficient and timely closing than a public sale; and

WHEREAS, the Authority will issue the Bond pursuant to the Act; and

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at 13220 Central Avenue, Chino, California on July 7, 2026; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in *Chino Valley Champion*, a local newspaper of general circulation in the City; and

WHEREAS, good faith estimates of certain information relating to the Bond are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by KNN Public Finance, LLC, the City’s Municipal Advisor; and

WHEREAS, the City Council has been presented with the form of each document referred to herein, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; 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 financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CHINO, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

Section 1. Each of the above recitals is true and correct. Following a duly noticed public hearing, the City Council hereby approves the financing of the Project and further finds and determines that there are significant public benefits to the citizens of the City through the issuance of the Bond and execution and delivery of the Ground Lease and Lease Agreement pursuant to the Act and otherwise hereunder within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the delivery of the Bond and related transactions will result in demonstrable savings in effective interest rate to the City and enable the City to undertake the Project on a timely basis, and provide a more efficient delivery of public safety services to the community.

Section 2. The forms of the Ground Lease and Lease Agreement, on file with the City Clerk, are hereby approved, and the Mayor, the Mayor Pro Tempore, the City Manager, the Director of Finance, and the City Clerk, and each of their authorized designees (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Ground Lease and Lease Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; *provided, however*, that the interest rate used to determine the interest components of the Base Rental Payments shall not exceed 4.50% per annum exclusive of any increase in such rate resulting from the occurrence of an Event of Default or Event of Taxability (as such terms are defined in the Indenture). In the event that it is determined by the Director of Finance, or her designee, that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the Leased Asset as contemplated by the Ground Lease and Lease Agreement or that other City-owned property would be more appropriate to use as Leased Asset under the Ground Lease and the Lease Agreement, the Director of Finance, or her designee, is hereby expressly authorized to designate other or additional real property of the City to be leased or subleased pursuant to the Ground Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Ground Lease and Lease Agreement by an Authorized Officer.

Section 3. The form of Indenture, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, 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 requirement or approval to be conclusively evidenced by the execution and delivery thereof; *provided, however*, that the principal amount of the Bond shall not exceed \$3,500,000, and the interest cost applicable to the Bond shall not exceed 4.50% per annum exclusive of any increase in such rate resulting from the occurrence of an Event of Default or Event of Taxability (as such terms are defined in the Indenture).

Section 4. The issuance by the Authority of not to exceed \$3,500,000 principal amount of the Bond, in one or more subseries, on a taxable or tax-exempt basis, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

Section 5. The form of Supplemental Agreement between the City and the Purchaser, on file with the City Clerk, is hereby approved. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the P Supplemental Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of the term sheet presented by the Purchaser to the Authority and the City (the “Term Sheet”), on file with the City Clerk, is hereby approved. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Term Sheet, if required by the Purchaser, in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The form of Placement Agent Agreement among the City, the Authority, and Raymond James & Associates, Inc., as placement agent (“Placement Agent Agreement”), on file with the City Clerk, is hereby approved. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Placement Agent Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The sale and issuance of the Bond and execution and delivery of the Lease Agreement is hereby determined to be consistent with the City’s Debt Management Policy and to the extent the sale and issuance of the Bond is not in compliance with the City’s Debt Management Policy, such noncompliance is waived in accordance with the terms of the City’s Debt Management Policy. The City further instructs Anzel Galvan LLP, as Bond Counsel, on behalf of the City, with respect to the Bond and the Lease Agreement described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Bond and the Lease Agreement to be filed in a timely manner with the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Government Code Section 8855, and (b) to certify to CDIAC, on behalf of the City, that the City’s Debt Management Policy complies with Government Code Section 8855(i) in the notice of proposed sale filed pursuant to Government Code Section 8855.

Section 9. Anzel Galvan LLP is hereby approved and appointed as Bond Counsel, KNN Public Finance, LLC, is hereby approved and appointed as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, each to provide such services to the City and any other related services as may be required to issue the Bond.

Section 10. The City hereby declares its intention to cause the enter into the Lease Agreement and to cause the Authority to issue the Bond in a principal amount not to exceed \$3,500,000, the proceeds of which will be used to pay for the costs of the Project (and related issuance costs), including the reimbursement to the Authority and the City for certain capital expenditures relating to the Project made prior to the issuance of the Bond from legally available moneys of the City, including moneys in the City’s General Fund. This Resolution is intended as a declaration of official intent (“Declaration”) to reimburse in accordance with the requirements of Treasury Regulation Section 1.150-2. This Declaration is not being declared as a matter of course or in amounts substantially in excess of the amounts expected to be necessary costs of the Project.

Section 11. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable 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, taking such actions and executing such instruments as may be necessary or appropriate to remove encumbrances and clear title to the Leased Asset. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 12. The City Clerk shall certify to the passage and adoption of this Resolution, and the same shall thereupon take effect and be in force.

PASSED, APPROVED AND ADOPTED THIS 7th DAY OF JULY 2026.

Eunice M. Ulloa, Mayor

ATTEST:

Natalie Gonzaga, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
CITY OF CHINO)

I, Natalie Gonzaga, City Clerk, City of Chino, do hereby certify that the foregoing Resolution No. 2026-___ was duly adopted by the City Council of the City of Chino, at the regular meeting on the ___ day of _____ 2026 and was approved by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

Natalie Gonzaga, City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bond in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by the City's Municipal Advisor, KNN Public Finance, LLC.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bond to be issued and sold is **\$3,225,000** (the "Estimated Principal Amount").

True Interest Cost of the Bond. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bond is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bond, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bond, is **4.25%**.

Finance Charge of the Bond. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bond is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bond, which means the sum of all fees and charges paid to third parties (or costs associated with the Bond), is **\$125,000**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bond is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bond, less the finance charge of the Bond, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bond, is **\$3,100,000**.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bond is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bond, plus the finance charge for the Bond, as described above, not paid with the proceeds of the Bond, calculated to the final maturity of the Bond, is **\$4,459,191.15**, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bond (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bond issued and sold, the true interest cost thereof, 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 Bond being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bond issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bond being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bond being different than those

estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the City's financing plan, or a combination of such factors.