

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING SUPPORT
AGREEMENT WITH THE CHULA VISTA
BAYFRONT FACILITIES FINANCING AUTHORITY,
WITH CONDITIONS, FOR THE PUBLIC FINANCING
OF THE CONVENTION CENTER AND PHASE 1A
IMPROVEMENTS IN THE CITY OF CHULA VISTA**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1 (Port Act); and

WHEREAS, Section 21 of the Port Act authorizes the Board of Port Commissioners (BPC) to pass all necessary ordinances and resolutions for the regulation of the District; and

WHEREAS, the District and the City of Chula Vista (City) have been working collaboratively for decades to plan and implement the Chula Vista Bayfront Master Plan (CVBMP); and

WHEREAS, since 2014, the District and the City have been working to deliver the catalyst project for the CVBMP, an approximately 250,000 square foot convention center (Convention Center) and an up to 1,600 room resort hotel (Resort Hotel) to be located on Parcel H3 of the CVBMP; and

WHEREAS, the catalyst project also requires the construction of extensive public infrastructure to the areas surrounding Parcel H3 (Phase 1A Improvements).

WHEREAS, RIDA Chula Vista, LLC (RIDA) was selected as the developer of the Resort Hotel and Convention Center through a Request for Qualifications; and

WHEREAS, at the early stages, and in light of an overall project cost in excess of \$1.1 billion, it was determined that in order for the Convention Center and Phase 1A Improvements to be financially feasible, the City and the District would need to make a "Public Contribution" for the construction of the Convention Center and Phase 1A Improvements; and

WHEREAS, the District and the City formed the Chula Vista Bayfront Facilities Financing Authority (Authority) to finance most of the Public Contribution; and

20xx-xxx

WHEREAS, the Public Contribution consists of \$265MM toward the Convention Center and \$63MM toward the Phase 1A Improvements for a total Public Contribution of \$328MM; and

WHEREAS, the Public Contribution is anticipated to be made through the issuance of taxable and tax-exempt bonds by the Authority, with the District and the City, as the sole members of the Authority, committing certain funds to repay the Authority Bonds; and

WHEREAS, the other portion of the funding will be provided through grants, a contribution of \$25MM from the County of San Diego, and additional funds from the District that have been collected through various projects on the Chula Vista Bayfront, such as a contribution from North C.V. Waterfront L.P. (Pacifica), and a sewer contribution from the City; and

WHEREAS, to implement the financing, the District will be ground leasing the Convention Center land to the Authority for construction of the Convention Center (Site Lease), the Authority will be subleasing the Convention Center and Convention Center land to the City (Facility Lease), and the City will be subleasing to RIDA the Convention Center and Convention Center land (Sublease); and

WHEREAS, Facility Lease and Sublease terms are expected to be approximately 38 years to provide sufficient time for repayment of the Authority Bonds; and

WHEREAS, after the Sublease terminates, the Convention Center and Convention Center land will automatically become part of the ground lease for the Hotel (Hotel Ground Lease) and the partnership between the District and City under the Authority and most of the financing agreements will end; and

WHEREAS, three financing agreements – the Amended and Restated Joint Community Facilities Agreement, the Third Amended and Restated Revenue Sharing Agreement and the Support Agreement – will help move forward the financing for the Public Contribution and will memorialize key funding sources committed by both the District and the City toward paying for the debt service on the Public Contribution and paying for other public infrastructure needed for the Chula Vista Bayfront; and

WHEREAS, under the proposed Support Agreement, the District will contribute annual payments (Annual Payments) and Other Ground Lease Revenues (defined below) from four existing leases on the Chula Vista Bayfront; and

WHEREAS, the Annual Payments would be payable based on the bond years in the indenture for the Authority Bonds (each, Bond Year), with the first

20xx-xxx

Bond Year commencing on the date the Authority Bonds are issued and would consist of the following:

Bond Years 1-4	\$0
Bond Years 5-14	\$5MM
Bond Years 15-19	\$6MM
Bond Years 20-24	\$3MM
Bond Years 25-38	\$3.5MM

WHEREAS, the Annual Payments do not need to be paid until after the Convention Center is complete; and

WHEREAS, this means that if the Convention Center construction is not completed until Bond Year 6, the Annual Payment for Bond Year 5 would be “abated” and the amount abated would be tacked on to the end of the schedule such that the District would have an Annual Payment in Bond Year 39 for \$5MM; and

WHEREAS, the “Other Ground Lease Revenues” consist of ground lease revenues actually received by the District from (a) the ground lease with The Marine Group LLC (dba Marine Group Boat Works) (District Clerk No. 54509, as amended from time to time), (b) the ground lease with Chula Vista Marina LP (dba Chula Vista Marina) (District Clerk No. 14244, as amended from time to time), (c) the ground lease with California Yacht Marina – Chula Vista LLC (California Yacht Club) (District Clerk No. 23924, as amended from time to time); and (d) the ground lease with Sun Chula Vista Bayfront RV LLC (dba Costa Vista RV Park) (District Clerk No. 70407, as amended from time to time); and

WHEREAS, if any of the four ground leases are renewed, replaced, or amended in such a way as to change the size or configuration of the original premises to include premises outside of the original premises boundaries of all the other ground leases (Modified Boundary Lease) or the premises for such ground leases are used for other revenue generating agreements some or all of such additional revenues resulting from such Modified Boundary Lease or revenue generating agreements need to be contributed as part of the Other Ground Lease Revenues; and

WHEREAS, since the District has current debt comprised of bonds issued under an existing District indenture filed in the Office of the District Clerk as Document Nos. 48385, 48388, and 70956 (collectively, District Indenture) and a promissory note issued to the San Diego Airport Authority filed in the Office of the District Clerk as Document No. 47940 (Airport Note), the District’s obligation to pay the Annual Payments and Other Ground Lease Revenues (collectively, the

20xx-xxx

District Payments) would be subordinate to the District's obligation to pay its current debt; and

WHEREAS, this means that the District has to pay the District Indenture and Airport Note first, and then the District Payments for this proposed Support Agreement; this does not mean that the District would be excused from paying the District Payments; it just means that the District has to follow the priority in the District Indenture; and

WHEREAS, in the event the District does not pay the Annual Payments or Other Ground Lease Revenues, the Authority may exercise any and all remedies available or granted to it pursuant to law, including specific performance or its equivalent remedy, including a writ of mandamus; and

WHEREAS, the Authority is assigning to the trustee of the Authority Bonds (Trustee) the right to collect and enforce the District Payments, so the Trustee would enforce any obligation of the District to pay the District Payments; and

WHEREAS, the Authority's remedy under the Support Agreement against the District is the same as the Authority's remedy under the Facility Lease against the City in the event of a default of payment of a lease payment; and

WHEREAS, similar to the Support Agreement, the Authority would also assign to the Trustee the right to collect and enforce the lease payments; and

WHEREAS, under the Support Agreement, the Authority and the District make customary representations to each other regarding their ability to enter into the Support Agreement; and

WHEREAS, if the District elected to issue additional bonds under the District Indenture or Parity Debt (as defined in the District's Indenture) in the future, in addition to having to comply with the provisions of the District Indenture, the District would also place on file with the Trustee certain certifications certifying that the District has enough funds to pay its outstanding debts and payments under the Third A&R Revenue Sharing Agreement; and

WHEREAS, the Support Agreement and Third A&R Revenue Sharing Agreement cross-reference various provisions in the indenture trust that will be entered into between the Authority and Trustee to issue the Authority Bonds (Indenture); and

WHEREAS, the Indenture is not final, but will be brought to the BPC prior to the validation action; and

20xx-xxx

WHEREAS, as part of the staff's recommendation, staff is recommending that the BPC authorize the Executive Director to enter into the Support Agreement substantially as to form, with such changes as the Executive Director, with the advice of the General Counsel, Chief Financial Officer/Treasurer, and the District's Municipal Advisor, may require or approve as non-material changes; and

WHEREAS, staff recommends that the BPC authorize the Support Agreement and authorize the Executive Director, or his designee, to enter into the Support Agreement substantially in the form presented to the BPC at the February 11, 2021 BPC meeting and Exhibit A, with such changes therein as the Executive Director, with the advice of the General Counsel, the Chief Financial Officer/Treasurer, and the District's Municipal Advisor, may require or approve as non-material changes, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the Board of Directors of the Authority (Authority Board) authorizes the Executive Director of the Authority, or his or her designee, to enter into the Support Agreement substantially in the form presented to the Board at the February 11, 2021 Board meeting (Authority Board Approval); and

WHEREAS, the Authority will be considering the Support Agreement at a future meeting of the Authority Board and the Support Agreement will not be deemed accepted by the Authority until the Authority Board Approval occurs; and

WHEREAS, although the Support Agreement will exist within the meaning of California Code of Civil Procedure Sections 860 et seq. when both the BPC and Authority Board have approved it and authorized its execution, it is not effective by its terms until the Authority Bonds are issued; and

WHEREAS, for purposes of this authorization, "non-material changes" shall include the insertion of customary municipal bond market terms in financing documents, but shall not include terms that (i) increase the risk to the District, (ii) result in additional contribution of funds by the District, or (iii) substantively alter the meaning or intent of the agreement; and

WHEREAS, the proposed BPC action, including without limitation, a resolution authorizing the Support Agreement for Chula Vista Bayfront, was adequately covered in the Final Environmental Impact Report (FEIR) for the Chula Vista Bayfront Master Plan (CVBMP) (UPD #83356-EIR-658; SCH #2005081077; Clerk Document No. 56562), certified by the District on May 18, 2010 (Resolution No. 2010-78), the Addendum to the FEIR, which was adopted by the Board on August 13, 2013 (Resolution No. 2013-138), and the Second Addendum to the FEIR, which was adopted by the Board on April 10, 2018 (Resolution No. 2018-0069); and

20xx-xxx

WHEREAS, the proposed BPC action is not a separate “project” for CEQA purposes but is a subsequent discretionary approval related to a previously approved project pursuant to CEQA Guidelines § 15378(c); *Van de Kamps Coalition v. Board of Trustees of Los Angeles Comm. College Dist.* (2012) 206 Cal.App.4th 1036; and

WHEREAS, pursuant to CEQA Guidelines §15162(b), the District finds and recommends that no further analysis or environmental documentation is necessary and accordingly, the proposed BPC action is merely a step in furtherance of the original project for which environmental review was performed and no supplemental or subsequent CEQA has been triggered, and no further environmental review is required; and

WHEREAS, the proposed BPC action does not allow for “development,” as defined in Section 30106 of the California Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses; and

WHEREAS, the proposed actions are consistent with the Public Trust Doctrine.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District (BPC), as follows:

That the Support Agreement by and between the San Diego Unified Port District (District) and the Chula Vista Bayfront Facilities Financing Authority (Authority) (Support Agreement) is hereby authorized and the Executive Director of the District, or his designee, is hereby authorized on behalf of the District to enter into the Support Agreement substantially in the form presented to the BPC at the February 11, 2021 BPC meeting and attached as Exhibit A, with such changes therein as the Executive Director, with the advice of the General Counsel, the Chief Financial Officer/Treasurer, and the District’s Municipal Advisor, may require or approve as non-material changes, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the Board of Directors of the Authority (Authority Board) authorizes the Executive Director of the Authority, or his or her designee, to enter into the Support Agreement substantially in the form presented to the Board at the February 11, 2021 Board meeting (Authority Board Approval). The Authority will be considering the Support Agreement at a future meeting of the Authority Board and the Support Agreement will not be deemed accepted by the Authority until the Authority Board Approval occurs. Although the Support Agreement will exist within the meaning of California Code of Civil Procedure Sections 860 et seq. when both the BPC and Authority Board have approved it and authorized its execution, it is not effective by its terms until the Authority Bonds are issued. “Non-material changes” shall include the insertion of customary municipal bond

20xx-xxx

market terms in financing documents, but shall not include terms that (i) increase the risk to the District, (ii) result in additional contribution of funds by the District, or (iii) substantively alter the meaning or intent of the agreement.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11th day of February, 2021 by the following vote:

Exhibit A

Form of Support Agreement

(See attached.)

EXHIBIT A

SUPPORT AGREEMENT

between

CHULA VISTA BAYFRONT FACILITIES FINANCING AUTHORITY

and

SAN DIEGO UNIFIED PORT DISTRICT

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

SECTION 1.01	Definitions.....	2
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ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01	Representations and Warranties of the Authority	8
SECTION 2.02	Representations and Warranties of the Port District.....	8

ARTICLE III

COMPLETION OF CONVENTION CENTER AND PHASE 1A INFRASTRUCTURE
IMPROVEMENTS; PORT DISTRICT PAYMENTS; PORT DISTRICT OBLIGATIONS;
DISCLOSURE

SECTION 3.01	Completion of Convention Center and Phase 1A Infrastructure Improvements	9
SECTION 3.02	Port District Payments	9
SECTION 3.03	Port District Obligations	10
SECTION 3.04	Disclosure	11

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

SECTION 4.01	Events of Default	11
SECTION 4.02	Absolute and Unconditional Obligations.....	12
SECTION 4.03	No Waiver of Default.....	12
SECTION 4.04	Termination of Proceedings.....	12

ARTICLE V

MISCELLANEOUS

SECTION 5.01	Benefits of Support Agreement Limited to Parties and Trustee	11
SECTION 5.02	Amendments	11
SECTION 5.03	Successor Is Deemed Included in all References to Predecessor	12
SECTION 5.04	Waiver of Personal Liability	13
SECTION 5.05	Article and Section Headings, Gender and References	13
SECTION 5.06	Performance on Business Days.....	13
SECTION 5.07	Partial Invalidity.....	13
SECTION 5.08	Assignment	13
SECTION 5.09	California Law	14

TABLE OF CONTENTS
(continued)

		Page
SECTION 5.10	Notices	14
SECTION 5.11	Execution in Counterparts.....	15
Attachment 1	Annual Support Payment Schedule	
Attachment 2	Net RV Park Buyout Credit Schedule	
Attachment 3	Listing of Chula Vista Bayfront Leases	

SUPPORT AGREEMENT

This **Support Agreement**, dated as of _____, 2021 (this "Support Agreement"), is entered into between the **Chula Vista Bayfront Facilities Financing Authority**, a joint exercise of powers authority formed pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (the "Authority"), and the **San Diego Unified Port District**, a public corporation (the "Port District"), created by the California State Legislature in 1962 pursuant to the California Harbors and Navigation Code Appendix 1 (as amended from time to time, the "Port District Act").

RECITALS:

WHEREAS, since 2002, the Port District and the City of Chula Vista, a chartered city organized and existing under the laws of the State of California (the "City"), have been working together to provide public access to, and engagement with, approximately 535 acres of land and water located on the southeastern edge of San Diego Bay in the City of Chula Vista (herein referred to as the "Chula Vista Bayfront");

WHEREAS, to facilitate development of the Chula Vista Bayfront, including financing a portion of the costs of such development, the Port District and the City created the Authority;

WHEREAS, pursuant to an Indenture of Trust, dated as of _____, 2021 (as amended or supplemented from time to time pursuant to its terms, the "Indenture"), by and between the Authority and Wilmington Trust, N.A., as trustee (as more fully defined in Section 1.01 hereof, the "Trustee"), the Authority intends to issue the Chula Vista Bayfront Facilities Financing Authority Revenue Bonds (Chula Vista Bayfront Convention Center) Series 2021A (Federally Taxable) (the "2021A Bonds") and the Chula Vista Bayfront Facilities Financing Authority Revenue Bonds (Chula Vista Bayfront Phase 1A Infrastructure Improvements) Series 2021B (Tax-Exempt) (the "2021B Bonds," and, together with the 2021A Bonds, the "2021 Bonds") to finance a portion of the costs of a convention center (the "Convention Center") to be located on tideland trust real property owned by the Port District and to finance a portion of the costs of certain public infrastructure improvements (the "Phase 1A Infrastructure Improvements"), to be located on tideland trust real property owned by the Port District or on real property owned by the City;

WHEREAS, pursuant to this Support Agreement, the Port District will make certain payments to the Trustee, such payments to be comprised of (i) Annual Support Payments (as such term is more fully defined in Section 1.01 hereof, the "Annual Support Payments") and (ii) payments made from Other Ground Lease Revenues (as such term is more fully defined in Section 1.01 hereof, the "Other Ground Lease Revenues" and, together with the Annual Support Payments, the "Port District Payments"), such payments to be applied by the Trustee in accordance with the provisions of the Indenture;

WHEREAS, pursuant to a Third Amended and Restated Revenue Sharing Agreement, dated as of _____, 2021 (as more fully defined in Section 1.01 hereof, the

"Revenue Sharing Agreement"), by and among the City, the Port District and the Authority, the Port District and the City will make certain other payments to the Authority to be applied by the Authority solely in accordance with the provisions of the Revenue Sharing Agreement;

WHEREAS, the Port District has determined that construction of the Convention Center and construction of the Phase 1A Infrastructure Improvements is in furtherance of the purposes of the Port District as set forth in the Port District Act in respect of the tideland trust properties and will be of benefit to the Port District, the San Diego Bay, the City and the people of the State of California such that the Port District is willing to make the Port District Payments; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution, delivery and performance of this Support Agreement do exist, have happened and have been performed in regular and due time, form and manner, and the parties hereto are now duly authorized to execute, deliver and perform this Support Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein, and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes hereof, have the meanings herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

Additional Bonds

The term "Additional Bonds" means revenue bonds issued by the Authority pursuant to the Indenture to refund 2021A Bonds, 2021B Bonds or any Additional Bonds.

Airport Note

The term "Airport Note" means that certain Amended and Restated Subordinated, Fully-Negotiable Promissory Note, dated June 1, 2004, executed by the Port District and delivered to the San Diego County Regional Airport Authority, which is on file in the Office of the Port District Clerk as Document No. 47940, as amended and supplemented from time to time pursuant to its terms.

Annual Debt Service

The term "Annual Debt Service" shall have the meaning assigned to such term in the Port District Indenture.

Annual Support Payments

The term "Annual Support Payments" means the annual payments listed in Attachment 1 attached hereto, as such payments may be modified pursuant to the provisions set forth in Section 3.02(b) hereof.

Authority

The term "Authority" shall have the meaning set forth in the Preamble.

Authorized Representative

The term "Authorized Representative" with respect to the Port District shall mean the Executive Director of the Port District or the Chief Financial Officer/Treasurer of the District or such other person as may be designated to act on behalf of the District by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Port District by an Authorized Representative.

Board of Directors of the Authority

The term "Board of Directors of the Authority" shall mean the governing body of the Authority established pursuant to, and consisting of the members selected in accordance with the provisions of the Amended and Restated Joint Exercise of Powers Agreement, dated and effective July 25, 2019, entered into by the City and the Port District, which is on file in the Office of the Port District Clerk as Document No. 70245, as amended and supplemented and/or as amended and restated from time to time pursuant to its terms.

Board of Port Commissioners

The term "Board of Port Commissioners" means the board of commissioners created pursuant to the Port District Act.

Bond Counsel

The term "Bond Counsel" means an attorney-at-law, or firm of such attorneys, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions acceptable to the Authority, the Port District and the City.

Bond Year

The term "Bond Year" shall have the meaning assigned to such term in the Indenture.

Bonds

The term "Bonds" means, as applicable 2021A Bonds, 2021B Bonds and/or any Additional Bonds then Outstanding under the Indenture.

Business Day

The term "Business Day" means any day other than (i) a Saturday or a Sunday, (ii) a day on which offices of the Port District are authorized to be closed, (iii) a day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed, or (iv) a day on which banking institutions in the city or cities in which the corporate trust office of the Trustee is authorized or obligated by law or executive order to be closed.

Certificate of an Independent Consultant

The term "Certificate of an Independent Consultant" means a written certificate signed by an authorized representative of a consulting firm or other expert, including, without limitation, any firm which serves as municipal advisor to the Port District, which (i) does not have any direct financial interest or any material indirect financial interest in the operations of the Port District, other than the payment to be received under a contract for services to be performed and (ii) no principal, member, partner or employee of which is connected with the Port District as a member of the Board of Port Commissioners, officer or employee, with knowledge and experience in the field of advising the management of facilities and services of the type provided by the Port District at the Port as to the planning, development, operation and management of such facilities and services, selected and employed by the Port District from time to time.

Certificate of the Port District

The term "Certificate of the Port District" means a written certificate signed in the name of the Port District by an Authorized Representative of the Port District.

City

The term "City" shall have the meaning set forth in the Recitals.

Closing Date

The term "Closing Date" shall have the meaning assigned to such term in the Indenture.

Continuing Disclosure Certificate

The term "Continuing Disclosure Certificate" shall have the meaning assigned to such term in the Indenture.

Contribution Date

The term "Contribution Date" shall have the meaning set forth in Section 2.02(d) hereof.

Convention Center

The term "Convention Center" shall have the meaning set forth in the Recitals.

Fiscal Year

The term "Fiscal Year" means, with respect to the Authority, until and unless changed by resolution of the Board of Directors of the Authority, the twelve month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, and means, with respect to the Port District, the twelve month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Port District pursuant to the provisions of the Port District Indenture.

Indenture

The term "Indenture" shall have the meaning set forth in the Recitals.

Independent Consultant

The term "Independent Consultant" shall have the meaning assigned to such term in the Port District Indenture.

Net Pledged Revenues

The Term "Net Pledged Revenues" shall have the meaning assigned to such term in the Port District Indenture.

Net RV Park Buyout Credit Schedule

The term "Net RV Park Buyout Credit Schedule" means the schedule attached hereto as Attachment 2.

Other Ground Leases

The term "Other Ground Leases" means each of the ground leases listed on Attachment 3 hereto.

Other Ground Lease Revenues

The term "Other Ground Lease Revenues" means all ground lease revenues derived from the Other Ground Leases and actually received by the Port District; provided however, if one or more of the Other Ground Leases is renewed, replaced or amended in such a way as to change the size or configuration of the original premises to include premises outside of the original premises boundaries of all the other Other Ground Leases (each, a "Modified Boundary Lease"), then the revenues to be derived from such Modified Boundary Lease and included in the amount of revenues derived from the Other Ground Leases shall be calculated by multiplying the total amount of revenues generated by such Modified Boundary Lease by a

fraction, the numerator of which shall be an amount equal to the Modified Boundary Lease premises remaining within the original premises boundary, and the denominator of which shall be the total premises area of the Modified Boundary Lease, as modified, and provided further that to the extent that the Port District enters into any revenue generating agreement other than a ground lease with respect to the operations on all or any portion of the premises of the Other Ground Leases, such revenue, net of any related out-of-pocket operating costs paid by the Port District to third parties, shall be included as revenues derived from the Other Ground Leases, less in each Fiscal Year the amount listed in the Net RV Park Buyout Credit Schedule attached hereto as Attachment 2.

Outstanding

With respect to Bonds, the term "Outstanding" shall have the meaning assigned to such term in the Indenture.

Outstanding

With respect to Port District Bonds, the term "Outstanding" shall have the meaning assigned to such term in the Port District Indenture.

Parity Debt

The term "Parity Debt" shall have the meaning assigned to such term in the Port District Indenture.

Port

The term "Port" means all facilities and property, real or personal, wherever located, under the jurisdiction or control of the Port District or in which the Port District has other rights or from which the Port District derives revenues.

Port District

The term "Port District" shall have the meaning set forth in the Preamble.

Port District Act

The term "Port District Act" shall have the meaning set forth in the Preamble.

Port District Bonds

The term "Port District Bonds" means the San Diego Unified Port District Revenue Bonds authorized by the Port District and heretofore or hereafter issued and at any time Outstanding pursuant to, the Port District Indenture, including, without limitation, the San Diego Unified Port District Refunding Revenue Bonds, 2013 Series A.

Port District Indenture

The term "Port District Indenture" means that certain Indenture, dated as of October 1, 2004, between the Port District and U.S. Bank National Association, as trustee, which is on file in the Office of the Port District Clerk as Document No. 48385, as heretofore supplemented and as it may from time to time be further supplemented, modified or amended in accordance with its terms, or any subsequent indenture entered into by the Port District and a trustee pursuant to which the Port District may issue revenue bonds.

Port District Payments

The term "Port District Payments" shall have the meaning assigned to such term in the Recitals.

Reserved Rights

The term "Reserved Rights" shall have the meaning assigned to such term in the Indenture.

Revenue Sharing Agreement

The term "Revenue Sharing Agreement" means the Third Amended and Restated Revenue Sharing Agreement, dated as of _____, 2021, by and among the City, the Port District and the Authority, which is on file in the Office of the Port District Clerk as Document No. [_____], as amended and supplemented and/or as amended and restated from time to time pursuant to its terms.

RIDA

The term "RIDA" means RIDA Chula Vista, LLC, a Delaware limited liability company.

Special Facility Indebtedness

The term "Special Facility Indebtedness" shall have the meaning assigned to such term in the Port District Indenture.

Subordinate Obligations

The term "Subordinate Obligations" shall have the meaning assigned to such term in the Port District Indenture.

Trustee

The term "Trustee" means Wilmington Trust, N.A. or its successor as provided in the Indenture.

2021 Bonds

The term "2021 Bonds" shall have the meaning set forth in the Recitals.

2021A Bonds

The term "2021A Bonds" shall have the meaning set forth in the Recitals.

2021B Bonds

The term "2021B Bonds" shall have the meaning set forth in the Recitals.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.01 Representations and Warranties of the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency duly created and existing under the laws of the State of California.

(b) The Authority has full legal right, power and authority to enter into this Support Agreement, to carry out its obligations hereunder, and to carry out and consummate all transactions contemplated to be carried out by the Authority hereunder and under the Indenture and the Authority has complied and will comply with the provisions of applicable law in all matters relating to such transactions.

(c) By proper action, the Authority has duly authorized the execution, delivery and due performance of its obligations under this Support Agreement.

(d) The execution and delivery of this Support Agreement and the consummation of the transactions herein contemplated to be carried out by the Authority will not (i) violate any provision of any applicable law, any applicable order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, (ii) be in conflict with, result in a breach of, or constitute a default (with due notice or the passage of time or both) under any such indenture, material agreement or other instrument, or (iii) result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

SECTION 2.02 Representations and Warranties of the Port District. The Port District makes the following representations and warranties:

(a) The Port District is a public corporation created and existing pursuant to the Port District Act.

(b) The Port District has full legal right, power and authority to enter into this Support Agreement, to carry out its obligations hereunder, and to carry out and consummate all transactions contemplated to be carried out by the Port District hereunder and the Port District

has complied and will comply with the provisions of applicable law in all matters relating to such transactions.

(c) By proper action, the Port District has duly authorized the execution, delivery and due performance of its obligations under this Support Agreement.

(d) As of the date that the Preliminary Official Statement for the 2021A Bonds and the 2021B Bonds was posted on the Municipal Market Securities Rulemaking Board's Electronic Municipal Market Access website (such date being herein referred to as the "Contribution Date"), the Port District transferred to the Authority all Other Ground Lease Revenues collected subsequent to July 1, 2018 and not expended prior to the Contribution Date on costs permitted by the Revenue Sharing Agreement.

(e) As of the Closing Date for the 2021A Bonds, the 2021B Bonds and each other Series (as such term is defined in the Indenture) of Bonds, if any, the Port District will have sufficient funds available to pay amounts due and payable during the current Fiscal Year on the Port District Bonds, the Airport Note, the Port District Payments and payments, if any, due pursuant to the Revenue Sharing Agreement.

(f) The execution and delivery of this Support Agreement and the performance by the Port District of its obligations hereunder will not (i) violate any provision of any applicable law, any applicable order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Port District is now a party or by which it or any of its properties or assets is bound, (ii) be in conflict with, result in a breach of, or constitute a default (with due notice or the passage of time or both) under any such indenture, material agreement or other instrument, or (iii) result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Port District.

ARTICLE III

COMPLETION OF CONVENTION CENTER AND PHASE 1A INFRASTRUCTURE IMPROVEMENTS; PORT DISTRICT PAYMENTS; PORT DISTRICT OBLIGATIONS; DISCLOSURE

SECTION 3.01 Completion of Convention Center and Phase 1A Infrastructure Improvements. The Authority agrees to cause completion of the Convention Center and the Phase 1A Infrastructure Improvements pursuant to one or more agreements to be entered into with one or more parties in connection with the issuance of the 2021 Bonds.

SECTION 3.02 Port District Payments.

(a) In consideration of the Authority's agreement to issue Bonds to finance or refinance a portion of the costs of the Convention Center and a portion of the costs of the Phase 1A Infrastructure Improvements, the Port District shall pay or cause to be paid to the Trustee, as assignee of the Authority, the Port District Payments, which shall be applied by the Trustee in accordance with the provisions of the Indenture. In the event the Bonds are prepaid in full and the Indenture is discharged prior to the date of termination of the Revenue Sharing

Agreement, the Port District Payments shall be paid to the Authority and applied in accordance with the terms of the Revenue Sharing Agreement. Annual Support Payments shall be payable quarterly in arrears within thirty (30) days of the end of each fiscal quarter in each Fiscal Year, in an amount equal to 1/4 of the Annual Support Payment then due and payable. Other Ground Lease Revenues collected by the Port District subsequent to the Contribution Date shall be payable quarterly in arrears within thirty (30) days of the end of each fiscal quarter in each Fiscal Year for such preceding fiscal quarter, in an amount equal to all of the actual revenues received from the Other Ground Leases during such fiscal quarter for such preceding fiscal quarter, with the final payment for each Fiscal Year to be adjusted for actual revenue received during such Fiscal Year.

(b) Notwithstanding any other provision of this Support Agreement to the contrary, the Port District shall not be required to commence payment of Annual Support Payments until the Authority shall have provided or caused to be provided to the Port District a copy of the temporary certificate of occupancy or other permit or approval allowing for the use and occupancy of the Convention Center and in the event that the obligation of the City to make Lease Payments (as such term is defined in the Indenture) abates in accordance with the provisions of the Facility Lease (as such term is defined in the Indenture) as a result of damage, destruction, condemnation or title defect, then the Annual Support Payments shall be abated to the same proportion that the Lease Payments are abated and the schedule of Annual Support Payments set forth in Attachment 1 hereto shall be adjusted accordingly and extended for the same period as any extension of the term of the Facility Lease, which adjusted schedule of Annual Support Payments shall be appended hereto and become a part of this Support Agreement. Notwithstanding any other provision of this Support Agreement to the contrary, adjustment of the schedule of Annual Support Payments authorized pursuant to this Section 3.02(b) and attachment hereto of an adjusted schedule shall not require any additional authorization by the Authority or the Port District and shall not be subject to compliance with Section 5.02 hereof or any other provision hereof applicable to amendment of this Support Agreement.

(c) Notwithstanding anything to the contrary contained in this Support Agreement or elsewhere, the Port District Payments (i) shall be payable by the Port District after the prior payment of, and on a subordinate basis to, all amounts then due for all Port District Bonds, Parity Debt and any Subordinate Obligations and (ii) shall be payable by the Port District after the prior payment of, and on a subordinate basis, to, amounts then due on the Airport Note, which is payable by the Port District after the prior payment of all amounts then due for all Port District Bonds, Parity Debt and any Subordinate Obligations.

SECTION 3.03 Port District Obligations. Subsequent to the execution and delivery of this Support Agreement, the Port District may at any time and from time to time issue or incur, as applicable, additional Port District Bonds, Parity Debt, Subordinate Obligations and Special Facility Indebtedness in each instance, as defined in and issued in accordance with, the provisions of the Port District Indenture.

In addition to compliance with the provisions of the Port District Indenture, on or prior to the date of issuance of any additional Port District Bonds or the date of incurrence of

Parity Debt or Subordinate Obligations, the Port District shall have placed on file with the Trustee: (i) a Certificate of the Port District certifying that the lesser of (x) the amount of Net Pledged Revenues for a period of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date on which such additional Port District Bonds will become Outstanding or Parity Debt will be incurred or (y) the estimated Net Pledged Revenues for the Fiscal Year in which such Port District Bonds are to be issued or Parity Debt shall be incurred shall have been, or will be, as applicable, at least equal, to 1.00 times Annual Debt Service on the Port District Bonds, Parity Debt, Subordinate Obligations, the Airport Note and the payments due under this Support Agreement; and (ii) a Certificate of an Independent Consultant certifying that the projected Net Pledged Revenues for each of the first three (3) Fiscal Years immediately following the completion date of the Project (as such term is defined in the Port District Indenture) being financed from the proceeds of such additional Port District Bonds or Parity Debt, as specified in a Certificate of the Port District delivered to the Independent Consultant, will be at least equal to 1.00 times Annual Debt Service on the Port District Bonds, Parity Debt, Subordinate Obligations, the Airport Note and the payments due under this Support Agreement. A copy of each Certificate of the Port District filed pursuant to this Section 3.03 shall be provided to the Authority and the City.

SECTION 3.04 Disclosure. In the event that it is determined that financial and operating information concerning the Port District is required to be disclosed in a Continuing Disclosure Certificate to be executed and delivered in connection with issuance of 2021A Bonds, 2021B Bonds or any Additional Bonds to comply with Securities and Exchange Commission Rule 15c2-12 or other applicable laws or regulations, the Port District agrees to provide such financial and operating information (which shall not include information covered by attorney-client privilege or information otherwise protected by law) including, if requested, annual updates thereof. Failure of the Port District to comply with any such Continuing Disclosure Certificate shall not be considered an event of default hereunder.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

SECTION 4.01 Events of Default. If one or more of the following Events of Default shall happen, that is to say: (i) if default shall be made in the payment of any Port District Payments as the same shall become due and payable and/or (ii) if the Port District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Port District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Port District or of the whole or any substantial part of its property, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control, then and in each and every such case during the continuance of such Event of Default, the Authority may exercise any and all remedies available or granted to it pursuant to law, including, but not limited to, specific

performance or its equivalent remedy, including a writ of mandamus. In no event shall the Authority or any other party, including, without limitation, the Trustee, have any right to demand the acceleration of any Port District Payments.

SECTION 4.02 Absolute and Unconditional Obligations. Nothing in this Article IV or in any other provision of this Support Agreement shall affect or impair the obligation of the Port District, to pay the Port District Payments hereunder at the respective due dates or shall affect or impair the right of the Authority and, as applicable, the Trustee to institute suit to enforce such payment by virtue of the contract embodied herein. In the event any Port District Payment is not paid on the date due pursuant to the provisions of this Support Agreement, then the Port District agrees to pay the same with interest thereon from the date such amount was due at the rate equal to ___ percent (___%) per annum.

SECTION 4.03 No Waiver of Default. A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Authority by law or by this Article IV may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

SECTION 4.04 Termination of Proceedings. If any action, proceeding or suit to enforce any right or exercise any remedy set forth in this Support Agreement is abandoned or determined adversely to the Authority, the Port District and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

ARTICLE V MISCELLANEOUS

SECTION 5.01 Benefits of Support Agreement Limited to Parties and the Trustee. Nothing contained herein, expressed or implied, is intended to give to any person other than the parties hereto and the Trustee any right, remedy or claim under or pursuant to this Support Agreement.

SECTION 5.02 Amendments. Subject to the provisions set forth in Section 5.9 of the Indenture, this Support Agreement may be amended in a writing mutually agreed to and executed by the Authority and the Port District.

SECTION 5.03 Successor Is Deemed Included in all References to Predecessor. Except as otherwise provided herein, whenever the Authority or the Port District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority or the Port District, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or

the Port District shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 5.04 Waiver of Personal Liability. No member of the Board of Port Commissioners, officer, employee or agent of the Port District shall be individually or personally liable for the payment of the Port District Payments but nothing contained herein shall relieve any member of the Board of Port Commissioners, officer, employee or agent of the Port District from the performance of any official duty provided by any applicable provisions of law or by this Support Agreement.

SECTION 5.05 Article and Section Headings, Gender and References. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding Articles, Sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Support Agreement as a whole and not to any particular Article, Section, subdivision or clause hereof.

SECTION 5.06 Performance on Business Days. If a date on which the performance of any act is required hereunder, including, without limitation, the payment of any Port District Payment, is not a Business Day, the act required to be performed may be performed on the next succeeding Business Day, without the payment of any interest or other charge, and such performance on the next succeeding Business Day shall not constitute or otherwise be deemed a default hereunder.

SECTION 5.07 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Port District shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof.

SECTION 5.08 Assignment. The Authority may assign all or a portion of its right, title and interest in this Support Agreement and may pledge, assign and convey its rights to receive Port District Payments hereunder and the right to exercise remedies hereunder with respect thereto to the Trustee for the benefit of the owners of the Bonds. The Port District hereby acknowledges that the Authority will pledge, assign and convey its rights to receive Port District Payments and the right to exercise remedies hereunder with respect thereto to the Trustee for the benefit of the owners of the Bonds, such pledge, assignment and conveyance to be made in the Indenture, and hereby consents to such pledge, assignment and conveyance.

To the extent any of the Authority's rights under this Support Agreement are assigned to the Trustee as provided herein, such assignment shall be made to the Trustee solely in its capacity as trustee for the Bonds and the duties, powers and liabilities of the Trustee in

acting under this Support Agreement shall be subject to the terms and provisions of the Indenture.

SECTION 5.09 California Law. This Support Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 5.10 Notices. All written notices to be given hereunder shall be given by first class mail, postage prepaid, by courier or by hand delivery to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, or by electronic means, including by email, at such address as each party shall provide to the other party hereto:

If to the Authority:	City of Chula Vista 276 Fourth Avenue Chula Vista, California 91910 Attention: City Manager and San Diego Unified Port District Post Office Box 120488 San Diego, California 92112-0488 Attention: Executive Director
With copies to:	City of Chula Vista 276 Fourth Avenue Chula Vista, California 91910 Attention: Finance Director San Diego Unified Port District Post Office Box 120488 San Diego, California 92112-0488 Attention: Director, Real Estate
If to the Port District:	San Diego Unified Port District Post Office Box 120488 San Diego, California 92112-0488 Attention: Executive Director
With a copy to:	San Diego Unified Port District Post Office Box 120488 San Diego, California 92112-0488 Attention: Director, Real Estate
If to the City:	City of Chula Vista 276 Fourth Avenue Chula Vista, California 91910 Attention: City Manager

With a copy to: City of Chula Vista
276 Fourth Avenue
Chula Vista, California 91910
Attention: City Attorney

SECTION 5.11 Execution in Counterparts. This Support Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Support Agreement by their duly authorized representative as of the date first set forth above.

**Chula Vista Bayfront Facilities Financing
Authority**

By: _____
_____, Executive Director

Approved as to Form and Legality:

By: _____
Co-Counsel, Thomas A. Russell,
General Counsel of the San Diego Unified Port District

By: _____
Co-Counsel, Glen Googins,
City Attorney of the City of Chula Vista

San Diego Unified Port District

By: _____
_____, Executive Director

Approved as to Form and Legality:

By: _____
Thomas A. Russell,
General Counsel of the San Diego Unified Port District

Attachment 1

Annual Support Payment Schedule

<u>Bond Year</u>	<u>Support Payment Amount</u>
5	\$5,000,000
6	5,000,000
7	5,000,000
8	5,000,000
9	5,000,000
10	5,000,000
11	5,000,000
12	5,000,000
13	5,000,000
14	5,000,000
15	6,000,000
16	6,000,000
17	6,000,000
18	6,000,000
19	6,000,000
20	3,000,000
21	3,000,000
22	3,000,000
23	3,000,000
24	3,000,000
25	3,500,000
26	3,500,000
27	3,500,000
28	3,500,000
29	3,500,000
30	3,500,000
31	3,500,000
32	3,500,000
33	3,500,000
34	3,500,000
35	3,500,000
36	3,500,000
37	3,500,000
38	3,500,000

Attachment 2**Net RV Park Buyout Credit Schedule**

Fiscal Year (FY)	RV Park Buyout Credit
19	\$410,500
20	\$410,500
21	\$410,500
22	\$410,500
23	\$410,500
24	\$410,500
25	\$410,500
26	\$410,470

Attachment 3

Listing of Chula Vista Bayfront Leases

1. Amended, Restated and Combined Lease between the San Diego Unified Port District (the "Port District") and The Marine Group LLC for property at the North Side of G Street at the terminus of both Quay Avenues and Sandpiper Way in Chula Vista, which lease is on file in the Office of the Port District Clerk as Document No. 54509, as amended and may be amended from time to time.
2. Lease between the Port District and Chula Vista Marina, LP, dba Chula Vista Marina, for property located at 550 Marina Parkway in Chula Vista which lease is on file in the Office of the Port District Clerk as Document No. 14244, as amended and may be amended from time to time.
3. Lease between the Port District and California Yacht Marina-Chula Vista, LLC, for property located at 640 Marina Parkway in Chula Vista which lease is on file in the Office of the Port District Clerk as Document No. 23924, as amended and may be amended from time to time.
4. Lease between the Port District and Sun Chula Vista Bayfront RV LLC for property located at 825 E Street in Chula Vista (Costa Vista RV Park) which lease is on file in the Office of the Port District Clerk as Document No. 70407, as amended and may be amended from time to time.