

RESOLUTION NUMBER 5888

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY OF (1) AMENDMENT NUMBER 3 TO EQUIPMENT LEASE/PURCHASE AGREEMENT WITH BANC OF AMERICA LEASING & CAPITAL, LLC; AND (2) A FIRST AMENDMENT TO PAYING AGENT AGREEMENT WITH BANC OF AMERICA LEASING & CAPITAL, LLC, WILMINGTON TRUST, NATIONAL ASSOCIATION AND THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS IN CONNECTION WITH REFINANCING CERTAIN OUTSTANDING OBLIGATIONS; AND AUTHORIZING CERTAIN ACTIONS AND THE EXECUTION OF CERTAIN DOCUMENTS AND EXHIBITS IN CONNECTION THEREWITH

WHEREAS, the City of Perris (the “City”) is a municipal corporation duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the City has previously determined to purchase certain equipment and improvements (the “Equipment”) consisting of the acquisition of certain street lights and the installation of certain energy savings equipment thereto as described in that certain Purchase and Sale Agreement, dated September 11, 2017 (the “Purchase Agreement”), by and between the City and Southern California Edison, a California corporation; and

WHEREAS, the City has previously provided for financing of such Equipment in the amount of \$4,987,537 pursuant to the Equipment Lease/Purchase Agreement, dated October 11, 2018 (the “Lease Agreement”), between Banc of America Leasing & Capital, LLC (“Banc of America”) and the City, which Lease Agreement is on file with the City Clerk; and

WHEREAS, the Lease Agreement has subsequently been amended pursuant to Amendment Number 1 to Equipment Lease/Purchase Agreement, dated January 11, 2021, and the Amendment Number 2 to Equipment Lease/Purchase Agreement, dated September 27, 2021, between Banc of America and the City to extend the acquisition period for the Equipment (collectively, the “Amendments”); and

WHEREAS, in connection with the execution and delivery of the Lease Agreement, the City entered into an Escrow and Account Control Agreement, dated October 11, 2018 (the “Escrow Agreement”), among the City, Banc of America and Wilmington Trust, National Association, as escrow agent (the “Escrow Agent”), pursuant to which funds deposited in accordance with the Lease Agreement are to be held and disbursed which Escrow Agreement is on file with the City Clerk; and

WHEREAS, the City has previously entered into the Paying Agent Agreement (the “Paying Agent Agreement”) with Banc of America, Wilmington Trust, National Association, as

paying agent (the “Paying Agent”), and the Western Riverside Council Of Governments (“WRCOG”) with respect to the Collection Fund and the subaccounts therein and which provides for the orderly distribution of payments under the Lease Agreement and the Implementation Agreement described therein, which Paying Agent Agreement is on file with the City Clerk; and

WHEREAS, the City has determined to prepay and refinance its lease obligation for the Equipment in the Lease Agreement due to favorable interest rates; and

WHEREAS, it is prudent in the conduct of its municipal affairs and a public purpose to refinance the Lease Agreement; and

WHEREAS, in order to accomplish the prepayment, the City shall further amend the Lease Agreement, as amended by the Amendments, by entering into Amendment Number 3 to the Equipment Lease/Purchase Agreement, dated on or about December 9, 2021, by and between the City and Banc of America (the “Third Amendment to Lease Agreement” and, together with the Lease Agreement and the Amendments, the “Agreement”); and

WHEREAS, in connection with the financing, the City will enter into the First Amendment to Paying Agent Agreement, dated on or about December 9, 2021, by and among the City, the Paying Agent and WRCOG (the “First Amendment to Paying Agent Agreement”) and such other documents and exhibits as may be required by Banc of America in connection with refinancing and amending the Lease Agreement and the Paying Agent Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS does resolve as follows:

SECTION 1. Recitals. The Recitals herein are true and correct.

SECTION 2. Authorization and Approval of the Agreement, the Paying Agent Agreement, as amended and the Escrow Agreement. The City Council hereby approves and authorizes the City to enter into (a) the Agreement in a principal amount which shall not exceed Four Million Seven Hundred Thousand Dollars (\$4,700,000) (approximately \$4,679,271.08) in the form presented to this Council and on file with the City Clerk, together with any changes therein or additions thereto which are deemed advisable by the City Manager, and (b) the Paying Agent Agreement, as amended by the First Amendment to the Paying Agent Agreement in the form presented to this Council and on file with the City Clerk or any assistant or deputy clerk (“City Clerk”), together with any changes therein or additions thereto which are deemed advisable by the City Manager. The City Manager is authorized and directed to take all steps and actions which are necessary to accomplish execution of the Third Amendment to the Lease Agreement and the First Amendment to the Paying Agent Agreement pursuant to the authorization given by and the conditions specified in this resolution. The Mayor, City Manager, or Deputy City Manager or his or her designee, is authorized to execute the Third Amendment to Lease Agreement, the First Amendment to the Paying Agent Agreement and any exhibits, certificates or other documents for and on behalf of the City. The City Council hereby confirms and ratifies the Agreement, the Escrow Agreement and the Paying Agent Agreement.

SECTION 3. Attestations. The City Clerk or other appropriate City officer is hereby authorized and directed to attest the signature of the City Manager, Deputy City Manager or Mayor

or of such other person or persons as may have been designated by the City Manager in connection with the execution and delivery of the Third Amendment to Lease Agreement and the First Amendment to the Paying Agent Agreement. In lieu of attestation on the above-mentioned documents, the City Clerk may attest to such signatories on an incumbency certificate or authorized representative certificate.

SECTION 4. Other Actions. The City Manager, Deputy City Manager and his or her designees are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all agreements, documents and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution, the Agreement, the Paying Agent Agreement, the First Amendment to Paying Agent Agreement, and the Escrow Agreement. Such actions are hereby ratified, confirmed and approved.

SECTION 5. General Liability. Nothing contained in this Resolution, the Agreement, the Paying Agent Agreement, as amended, the Escrow Agreement nor any other instrument shall be construed with respect to the City, as Lessee, as incurring a pecuniary liability or charge upon the general credit of the City, as Lessee, or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement, the Escrow Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the City, as Lessee, or any charge upon its general credit or against its taxing power, except to the extent that the rental payments payable under the Agreement are limited obligations of the City, as Lessee, subject to annual appropriation by its governing body, as provided in the Agreement

SECTION 6. Appointment of Authorized Lessee Representatives. The City Manager, Deputy City Manager and her or his designees (the “Authorized Representatives”) are each hereby designated to act as authorized representatives of the City, as Lessee, for purposes of the Agreement, and the First Amendment to Paying Agent Agreement and other documents until such time as the governing body of the City, as Lessee, shall designate any other or different authorized representative for purposes of the Agreement, the Paying Agent Agreement or the Escrow Agreement.

SECTION 7. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 8. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

SECTION 9. Location and Custodian of Records. The documents and materials associated with the action that constitute the record of proceedings on which these findings are based are located at City of Perris, 101 N. D Street, Perris, CA 92570.

SECTION 10. Good Faith Estimates. The City Council acknowledges that the good faith estimates required by Section 5821.1 of the California Government Code are attached hereto

as Exhibit A and are available to the public at the meeting at which this Resolution is approved. The City Council hereby finds that the requirements of Section 5852.1 have been satisfied.

SECTION 11. Effect. This Resolution shall take effect immediately upon its passage.

ADOPTED, SIGNED and **APPROVED** this 30th day of November, 2021.

Michael M. Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, City Clerk of the City of Perris do hereby certify that the foregoing Resolution Number 5888 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held on the 30th day of November, 2021, by the following vote:

AYES: CORONA, RABB, ROGERS, NAVA, VARGAS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Nancy Salazar, City Clerk

EXHIBIT A

Good Faith Estimates

**City of Perris
2021 Refinancing of 2018 Equipment Lease/Purchase Agreement**

SB 450 Summary / Government Code 5852.1*

A. True Interest Cost (TIC) of the Bonds	3.21% ¹
B. Sum of all fees and charges paid to 3rd parties	\$50,000
Costs of Issuance	50,000 ²
C. Bond Proceeds Net of Reserves, Capitalized Interest and 3rd Party Fees and Charges	\$4,629,271
Net proceeds	4,679,271 ¹
Less Reserve Fund	- ¹
Less Sum of all fees and charges paid to 3rd parties	(50,000) ¹
Less Capitalized Interest	0 ¹
D. Total Payment Amount	\$5,672,901
Total Principal and Interest to Maturity**	5,672,901 ¹

*Summary reflects good faith estimates as of 11/8/21 and all costs associated with the financing.

** Less Capitalized Interest, if any

Sources:

¹ Preliminary sizing, prepared by Fieldman, Rolapp & Associates, Inc.

² Costs of Issuance