

RESOLUTION NUMBER 4869

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2014-2 (PERRIS VALLEY SPECTRUM) OF THE CITY OF PERRIS; AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS, 2015 SERIES C IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000; TO REFINANCE THE PRIOR BONDS OF THE 1991 DISTRICT, PERMITTING THE PURCHASE OF SUCH BONDS BY THE PERRIS JOINT POWERS AUTHORITY, AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the “City Council”) of the City of Perris (the “City”), previously formed Community Facilities District No. 91-1 (Perris Valley Spectrum) of the City of Perris (“1991 District”) by adoption of Resolution of 1913 on January 28, 1991 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, at a special tax election held pursuant to the Act, the electors at the time within the 1991 District voted in favor of the levy of special taxes pursuant to the respective Rate and Method of Apportionment (“1991 RMA”); and

WHEREAS, on March 11, 1991, the City Council authorized the issuance of the Community Facilities District No. 91-1 (Perris Valley Spectrum) of the City of Perris 1991 Special Tax Bonds (the “1991 Bonds” or “Prior District Bonds”) in the aggregate principal amount of 8,010,000, of which \$3,350,000 are outstanding; and

WHEREAS, due to high delinquencies in the 1991 District, and the “1991 RMA” which requires undeveloped property to pay for public improvements at the same rate as developed property, the City Council has determined that it is in the best interests of the 1991 District to prepay the 1991 Bonds and special taxes associated therewith (“Refinance Plan”); and

WHEREAS, in order to accomplish the Refinance Plan, the City Council determined to form a new community facilities district to levy special taxes within the area of 1991 District and apportion the special taxes in a manner that spurs further development within the area, and issue a new series of bonds to refund the 1991 Bonds; and

WHEREAS, the City Council of the City (hereinafter sometimes referred to as the “legislative body of the District”) has, pursuant to its Resolution No. 4776 (the “Resolution of Intention”) adopted on October 14, 2014, and Resolution No. 4802 (the “Resolution of Formation”) adopted on January 13, 2015, heretofore undertaken proceedings and declared the necessity of Community Facilities District No. 2014-2 (Perris Valley Spectrum) of the City of Perris (the “District”) to issue bonds pursuant to the terms and provisions of the Act; and

WHEREAS, pursuant to its Resolution of Formation, Resolution No. 4801, and Resolution Declaring the Results of the Special Election (collectively the “Resolutions”), adopted by the legislative body of the District on April 14, 2015, a certain bond proposition was submitted to the qualified electors within the District, and was approved by more than two-thirds of the votes cast at the election held on April 14, 2015 in addition to the levy of a special tax (the “Special Tax”) in accordance with a rate and method of apportionment (the “New RMA”); and

WHEREAS, Pursuant to Section 53313.5(g) of the Act, a community facilities district may pay in full all amounts necessary to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge or assessment levied within the area of the community facilities district or may pay debt service on that indebtedness; and

WHEREAS, based upon Resolutions adopted by the legislative body of the District and the election, the District is authorized to issue bonds, pursuant to the Act, in an aggregate principal amount not to exceed \$3,500,000; and

WHEREAS, the City and the Housing Authority of the City of Perris, entered into a Joint Exercise of Powers Agreement, created under the Joint Exercise of Powers Act (Sections 6500 *et seq.* of the California Government Code) (the "Bond Law"), dated as of March 26, 2013, thereby forming the Perris Joint Powers Authority (the “Authority”) to assist the City and the Housing Authority of the City in their respective financings; and

WHEREAS, the City Council has heretofore undertaken proceedings and declared the necessity of the District to issue bonds pursuant to the terms and provisions of the Act, and desires to issue bonds at this time under the Act, with the assistance of the Authority, to pay off, refund, cancel or defease the 1991 District’s outstanding 1991 Bonds, which financed certain costs of facilities provided to the Prior District, including public capital improvements which the District is authorized to finance; and

WHEREAS, the District desires to accomplish the refinancing of certain public capital improvements through the issuance of bonds in an aggregate principal amount not to exceed \$3,500,000 designated as the “Community Facilities District No. 2014-2 (Perris Valley Spectrum) of the City of Perris Special Tax Refunding Bonds, 2015 Series” (the “District Bonds”); and

WHEREAS, in order to raise the funds to purchase the District Bonds, the Authority will issue its Perris Joint Powers Authority Local Agency Refunding Revenue Bonds (CFD No. 2014-2 (Perris Valley Spectrum)), 2015 Series C (the “Authority Bonds”) pursuant to the Bond Law, and use the proceeds thereof to purchase the District Bonds from the District, to pay certain costs of issuance and fund certain reserve funds and other funds in connection therewith; and

WHEREAS, the legislative body of the District has determined in accordance with Government Code Sections 53360.4, 53363.5 and other applicable laws that a negotiated sale of the District Bonds to the Authority in accordance with the terms of the Commitment Agreement and Purchase Contract for Purchase and Sale of Local Obligation Bonds to be entered into by the District and the Authority (the “Local Obligation Bond Purchase Contract”), a form of which is on file with the City Clerk, will result in a lower overall cost to the District; and

WHEREAS, the Authority will sell the Authority Bonds to O'Connor & Company Securities, Inc. (the "Underwriter") pursuant to the terms of the Purchase Contract, by and among the Authority, the District and the Underwriter (the "Authority Purchase Contract"), a form of which is on file with the City Clerk; and

WHEREAS, in order to effect the issuance of the District Bonds by the District and the Authority Bonds, and the refunding, cancellation or defeasance of the Prior District Bonds, the legislative body of the District desires to approve the form of a Preliminary Official Statement for the Authority Bonds related to the District Bonds and to approve the form of and authorize the execution and delivery of a fiscal agent agreement, by and between the District and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent Agreement"), with respect to the issuance of the District Bonds, forms of which are on file with the City Clerk; and

WHEREAS, the District further desires to approve the forms and authorize the execution and delivery of the Local Obligation Purchase Contract, the Authority Purchase Contract, a Continuing Disclosure Agreement (as hereinafter defined), the Escrow Agreement (as hereinafter defined), and certain other agreements related thereto, the forms of which are on file with the City Clerk; and

WHEREAS, the legislative body of the District has determined that it is prudent in the management of its fiscal affairs to issue the District Bonds, that it will accomplish a public purpose, and that refunding, cancelling or defeasing of the Prior District Bonds will effect savings; and

WHEREAS, pursuant to an Agreement (the "Pledge Agreement") to be entered into by and between the City of Perris on behalf of the District, the 1991 District, and the Successor Agency to the Dissolved Redevelopment Agency of the City of Perris (the "RDA"), a successor agency duly existing under the law (the "Successor Agency"), the Successor Agency has agreed to contribute certain property tax revenues to the District in a similar manner to the contribution to the 1991 District by the Redevelopment Agency of the City of Perris.

WHEREAS, the value of the real property in the District subject to the special tax to pay debt service on the District Bonds is more than three times the principal amount of the District Bonds (based on assessed values at the County) and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District, which fact is required as a precondition to the issuance of the District Bonds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, acting for itself and as the legislative body of Community Facilities District No. 2014-2 (Perris Valley Spectrum) of the City of Perris, does hereby resolve, determine and order as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The District is authorized pursuant to the Act to issue the District Bonds for the purpose of refinancing capital improvements and public facilities in the District and effectuate the refunding, cancellation or defeasance of the Prior District Bonds.

Section 3. The issuance of the District Bonds in a principal amount not to exceed \$3,500,000 is hereby authorized with the exact principal amount to be determined by the official signing of the Local Obligation Purchase Contract for the District Bonds in accordance with Section 7 below. The legislative body of the District hereby determines that it is prudent in the management of its fiscal affairs and a public purpose to issue the District Bonds. The District Bonds shall mature on the dates and pay interest at the rates set forth in the Local Obligation Purchase Contract to be executed on behalf of the District in accordance with Section 7 hereof.

Section 4. The form of the Fiscal Agent Agreement, a copy of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof or with such changes as may be approved by the Mayor, City Manager, Assistant City Manager or Finance Director (each, an "Authorized Officer"), said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Fiscal Agent Agreement. The City Clerk or a duly authorized Deputy or Assistant City Clerk (the "City Clerk") is hereby authorized to attest to said Authorized Officer's signature.

Section 5. The District Bonds shall be executed on behalf of the District by the manual or facsimile signature of an Authorized Officer, and attested with the manual or facsimile signature of the City Clerk. U.S. Bank National Association is hereby appointed to act as fiscal agent for the District Bonds.

Section 6. The covenants set forth in the Fiscal Agent Agreement to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the legislative body of the District, and shall be complied with by the District and its officers.

Section 7. The form of the Local Obligation Bond Purchase Contract and the Authority Purchase Contract relating to the purchase of the District Bonds by the Authority and relating to the purchase of the Authority Bonds by the Underwriter, respectively, copies of which are on file with the City Clerk, be and are hereby approved in the forms thereof, or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and each Authorized Officer be and is hereby authorized, together or alone, to execute and deliver said agreements and to insert in each of the aforesaid Agreements the dollar amount which reflects the provisions of said purchase contracts; provided, however, that the true interest cost with respect to the Authority Bonds shall not exceed 4.5% and the Underwriter's discount shall not exceed 2% of the principal amount of the Authority Bonds thereof, excluding any original issue discount on the Authority Bonds and the purchase price of the District Bonds shall not exceed any amount prohibited by the Bond Law.

Section 8. The form of the Continuing Disclosure Agreement executed and delivered by the District and Willdan Financial Services, as Dissemination Agent thereunder, a

copy of which is on file with the City Clerk (the "Continuing Disclosure Agreement"), be and is hereby approved in substantially the form thereof or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each Authorized Officer be and is hereby authorized, together or alone, to execute and deliver said Agreement.

Section 9. The form of the Preliminary Official Statement presented at this meeting and on file with the City Clerk is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to municipal bond broker-dealers, to banking institutions, and to members of the general public who may be interested in purchasing the Authority Bonds. Each Authorized Officer is authorized to approve the amendment of the Preliminary Official Statement, from time to time, pending distribution of the Preliminary Official Statement as shall be required to cause such Preliminary Official Statement to contain any further information necessary to accurately describe the District Bonds and the Authorized Officer is authorized to deem final the Preliminary Official Statement as of its date for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The final Official Statement relating to the District Bonds shall be submitted to an Authorized Officer for approval.

Section 10. The form of the Escrow Deposit and Trust Agreement, by and among the Authority, the District, the 1991 District and U.S. Bank National Association, as Escrow Agent (the "Escrow Agreement"), a form of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Escrow Agreement.

Section 11. The form of the Pledge Agreement, a form of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Pledge Agreement.

Section 12. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the value of the real property within the District subject to the respective special taxes to pay debt service on the District Bonds is not less than three times the principal amount of the respective District Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District. This determination is based on the assessed value of the real property within the District as shown in the records of the County. The District has not prepared an appraisal in connection with the refinancing of the District because the District has already been developed, and therefore, the City waives any requirement in the City's policies related to an appraisal.

Section 13. The City Council approves of the financing and hereby finds that significant public benefits exist in undertaking the financing in accordance with the criteria set forth in Government Code Section 6586, including demonstrable savings in effective interest rate.

Section 14. All conditions precedent to the financing pursuant to the City's policies relating to Mello-Roos Districts have been met or are hereby waived.

Section 15. The law firm of Aleshire & Wynder, LLP, Irvine, California, is hereby appointed as bond counsel to the District with respect to the District Bonds.

Section 16. The financing consultant firm of Rod Gunn Associates, Inc., a California corporation, is hereby appointed as financial advisor to the District with respect to the District Bonds.

Section 17. The law firm of Norton Rose Fulbright US LLP, Los Angeles, California, is hereby appointed as Disclosure Counsel with respect to the District Bonds.

Section 18. Each Authorized Officer and the other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents and certificates as are necessary to accomplish the issuance, sale and delivery of the District Bonds and to consummate the transactions contemplated by each aforesaid Agreement. In the event that the Mayor is unavailable to sign any document authorized for execution herein, any Authorized Officer may sign such document. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy or assistant city clerk.

Section 19. This resolution shall take effect and be enforceable immediately upon its adoption.

ADOPTED, SIGNED and **APPROVED** this 14th day of April, 2015.

DARYL R. BUSCH,
MAYOR OF THE CITY OF PERRIS

ATTEST:

NANCY SALAZAR,
CITY CLERK OF THE CITY OF PERRIS

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 4869 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 14th day of April, 2015, and that it was so adopted by the following vote:

AYES: RODRIGUEZ, ROGERS, BURKE, RABB, BUSCH

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: _____
NANCY SALAZAR, CITY CLERK