

RESOLUTION NUMBER 4870

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 91-1 (PERRIS VALLEY SPECTRUM) OF THE CITY OF PERRIS, APPROVING AN ESCROW AGREEMENT IN CONNECTION WITH A REFUNDING OF ITS 1991 SPECIAL TAX BONDS

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” or “Prior 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, 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 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 refund, cancel or defease the Prior 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 payoff of the 1991 Bonds 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, in order to refund, cancel, or defease the Prior District Bonds in connection with the refunding, the City now desires to enter into an escrow agreement (the “Escrow Agreement”) by and among the Authority, the Prior District, the District, and U.S. Bank National Association as escrow bank (the “Escrow Agreement”).

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. 91-1 (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 Authority.

Section 2. The proposed form of the Escrow Agreement on file with the City Clerk, is hereby approved, the form of which will be used in connection with the refunding, cancellation, and/or defeasance of the Prior District Bonds. The Mayor, City Manager, Assistant City Manager or Finance Director (each an “Authorized Officer”) is hereby authorized and directed, for and in the name and on behalf of the Authority, the District, and the Prior District, to execute the Escrow Agreement. Approval of any additions or changes in such form shall be conclusively evidenced by such execution and delivery of the Escrow Agreement. The

Authorized Officers may take such action as necessary to effectuate the pay off and refinancing contemplated herein.

Section 3. This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Perris Public Financing Authority on this 14th day of April, 2015, by the following vote:

DARYL R. BUSCH, MAYOR

ATTEST:

NANCY SALAZAR, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
PERRIS PUBLIC FINANCING AUTHORITY)

I, Nancy Salazar, City Clerk of the City of Perris, hereby certify that Resolution Number 4870 was adopted by the City Council at a regular meeting held on the 14th day of April, 2015, and that the same was adopted by the following vote:

AYES: RODRIGUEZ, ROGERS, BURKE, RABB, BUSCH
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

NANCY SALAZAR, CITY CLERK