

**RESOLUTION NUMBER PPFA 44**

**RESOLUTION OF THE PERRIS PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS TAX ALLOCATION REVENUE BONDS (HOUSING LOAN), 2010 SERIES A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 TO FUND A LOAN TO THE AGENCY AND APPROVING CERTAIN DOCUMENTS AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Perris (the “City”) and the Redevelopment Agency of the City of Perris (“the Agency”) have entered into a Joint Exercise of Powers Agreement (the “Agreement”), creating the Perris Public Financing Authority (the “Authority”); and

**WHEREAS**, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and the Agreement, the Authority is authorized to issue revenue bonds for financing public capital improvements and working capital, purchasing local obligations of other agencies and loaning the proceeds thereof to other agencies; and

**WHEREAS**, pursuant to the Act and the Agreement the Authority is further authorized to sell bonds to public or private purchasers at public or negotiated sales; and

**WHEREAS**, the Agency is authorized pursuant to the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the “Law”) to issue its tax allocation bonds or loans for the purpose of financing and refinancing housing activities and public improvements within and of benefit to its Redevelopment Project-1994, its Redevelopment Project-1987 and its Central Perris and North Perris Redevelopment Project (collectively, the “Redevelopment Projects”); and

**WHEREAS**, in connection with its Redevelopment Projects, the Agency has previously cooperated with the Authority in connection with the issuance of the Perris Public Financing Authority 2006 Tax Allocation Revenue Bonds in the initial principal amount of \$31,005,000, a portion of the proceeds of which were used for the purpose of funding a loan to the Agency under that certain Housing Fund Loan Agreement, dated as of May 1, 2006, by and between the Authority and the Agency (the “2006 Loan”); and

**WHEREAS**, in connection with its Redevelopment Projects, the Agency has previously cooperated with the Authority in connection with the issuance of the Perris Public Financing Authority Tax Allocation Revenue Bonds, 2001 Series A in the initial principal amount of \$10,745,000, a portion of the proceeds of which were used for the purpose of funding a loan to the Agency under that certain Housing Fund Loan Agreement, dated as of June 1, 2001, by and between the Authority and the Agency (the “2001 Loan”); and

**WHEREAS**, in order to finance additional low and moderate income housing activities with respect to the Redevelopment Projects, the Agency has requested that the Authority make a loan to the Agency, pursuant to the Housing Fund Loan Agreement (the “Loan Agreement”), between the Agency and the Authority in an aggregate principal amount not to exceed \$8,000,000 (the “Housing Loan”);

**WHEREAS**, in order to finance the Housing Loan, the Authority is determined to issue not to exceed \$8,000,000 aggregate principal amount of Perris Public Financing Authority Tax Allocation Revenue Bonds (Housing Loan), 2010 Series A (the “2010 Bonds”) pursuant to the terms of the Indenture of Trust (the “Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

**WHEREAS**, the Housing Loan will be secured on a subordinate basis to the 2001 Loan and on a parity basis with the 2006 Loan; and

**WHEREAS**, the proceeds of the 2010 Bonds will be used to make the Housing Loan; and

**WHEREAS**, the Authority proposes to sell the 2010 Bonds to O'Connor & Company Securities, as purchaser of the 2010 Bonds (the “Underwriter”), all on the terms and conditions herein set forth and as provided in the form of Purchase Contract, by and among the Authority, the Agency and the Underwriter (the “Purchase Contract”) on file with the Secretary; and

**WHEREAS**, the Authority and the Agency, with the assistance of Rod Gunn Associates, Inc. (the “Financing Consultant”), and Fulbright and Jaworski, L.L.P., Disclosure Counsel, has caused to be prepared an Official Statement describing the 2010 Bonds, the preliminary form of which is on file with the Secretary (the “Official Statement”); and

**WHEREAS**, the Authority, with the aid of its staff has reviewed the Indenture, Housing Loan, the Purchase Contract and the Official Statement and the Authority wishes at this time to approve the foregoing in the public interests of the Authority; and

**WHEREAS**, the Agency and the City have approved of the financing and issuance of 2010 Bonds by the Authority to provide proceeds to make the Housing Loan to finance housing activities and public capital improvements associated therewith and hereby find that significant public benefits will occur as a result of the financing, including but not limited to demonstrable savings in effective interest rate, bond preparation, bond underwriting and financing costs, employment benefits from undertaking the projects and providing affordable housing to employees of the Redevelopment Projects, user charge reductions and efficient delivery of local services associated with the improvements as contemplated by Section 6586 of the Act

**NOW, THEREFORE, BE IT RESOLVED** by the Perris Public Financing Authority, as follows:

**Section 1.** Recitals. The above Recitals are true and correct and incorporated herein by reference.

**Section 2.** Issuance of 2010 Bonds; Approval of Indenture. The Authority hereby authorizes the issuance of the 2010 Bonds under and pursuant to the Act and the Indenture in the aggregate principal amount of not to exceed \$8,000,000. The Authority hereby approves of the Indenture in substantially the form thereof on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Chair, Executive Director or Treasurer, including, without limitation, the addition to the Indenture of the final interest rates payable with respect to the 2010 Bonds and the final principal amount and annual maturities of the 2010 Bonds, as contained in the Purchase Contract, the execution thereof to be deemed conclusive evidence of the Authority's approval of such additions or changes. The Chair, Executive Director and Treasurer of the Authority are each hereby authorized and directed to execute the Indenture and the Secretary, Assistant or Deputy Secretary (the "Secretary") of the Authority is authorized to attest to the Indenture for and in the name and on behalf of the Authority. The Authority hereby authorizes the delivery and performance of the 2010 Bonds and authorizes the Chair or Executive Director and the Secretary of the Authority to execute and attest to the 2010 Bonds.

**Section 3.** Approval of Loan Agreement. The Authority hereby authorizes the execution of the Loan Agreement and the Housing Loan in the aggregate principal amount of not to exceed \$8,000,000. The Authority hereby approves the Loan Agreement in substantially the form thereof on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Chair, Executive Director or Treasurer, the execution thereof to be deemed conclusive approval of said changes. The Chair, Executive Director and Treasurer of the Authority are each hereby authorized and directed to execute and attest to the Loan Agreement for and in the name and on behalf of the Authority and the Secretary of the Authority is authorized to attest to said signature. The Authority hereby authorizes the delivery and performance of the Loan Agreement.

**Section 4.** Sale of the 2010 Bonds/ Purchase Contract. The Authority hereby authorizes the sale of the 2010 Bonds to the Underwriter pursuant to and in accordance with the Purchase Contract in substantially the form on file with the Secretary together with any additions thereto or changes therein approved by the Chair, Executive Director or Treasurer of the Authority. The Authority hereby delegates to the Chair, Executive Director or the Treasurer (or his written designee) the authority to accept an offer from the Underwriter to purchase the 2010 Bonds from the Authority and to execute the Purchase Contract for and in the name and on behalf of the Authority; provided, however, that the true interest cost with respect to the 2010 Bonds shall not exceed six and one-half percent (6.5%) per annum, and the Underwriter's discount for the purchase of the 2010 Bonds shall not exceed one and one-half percent (1.5%) of the par amount thereof, excluding any original issue discount on the 2010 Bonds.

**Section 5.** Approval of the Preliminary Official Statement. The form of the Preliminary Official Statement relating to the 2010 Bonds (the "Preliminary Official Statement"), on file with the Secretary, is approved for distribution by the Underwriter to municipal bond broker-dealers, to banking institutions and to members of the general public who may be interested in purchasing the 2010 Bonds. The Authority Executive Director or Treasurer is

authorized to approve changes in the Preliminary Official Statement, from time to time, pending such distribution as shall be required to cause the Preliminary Official Statement to contain any further information necessary to accurately describe the 2010 Bonds and the Authority. With respect to the distribution of the Preliminary Official Statement, the Executive Director or Treasurer of the Authority is authorized and directed, on behalf of the Authority, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”).

**Section 6.** Approval of Official Statement. The Official Statement, which shall include such changes and additions thereto deemed advisable by the Executive Director or Treasurer and such information permitted to be excluded from the Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 2010 Bonds, and the Executive Director or Treasurer, or his written designee, is authorized and directed to execute the Official Statement for and on behalf of the Authority and the Executive Director or Treasurer is authorized and directed to deliver to the purchaser of the 2010 Bonds (i) a certificate with respect to the information set forth therein and (ii) Continuing Disclosure Agreement substantially in the form appended to the Official Statement.

**Section 7.** Official Action. The Chair, the Vice-Chair, the Executive Director, Assistant Executive Director, the Treasurer, the Secretary, the Assistant Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, including, without limitation, requisitions for the payment of costs of issuance of the 2010 Bonds and the Housing Loan, agreements providing for investment of proceeds of the aforementioned bonds or loans, notices, consents, instruments of conveyance, warrants, other documents, certificate, agreements and tax-certifications, which they, or any of them, may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2010 Bonds. Any officer of the Authority herein authorized or directed to take any action may designate another officer of the Authority to take such action on his or her behalf, such designation to be approved or ratified in writing with respect to the taking of the applicable action.

**Section 8.** Effective Date. This Resolution shall take effect from and after its passage and adoption.

**ADOPTED, SIGNED** and **APPROVED** this 30th day of March, 2010.

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Daryl R. Busch, Chairman

ATTEST:

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Judy L. Haughney, C.M.C., Agency Secretary

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

I, Judy L. Haughney, SECRETARY OF THE PERRIS PUBLIC FINANCING AUTHORITY HEREEBY CERTIFY that the foregoing Resolution Number PPFA 44 was duly and regularly adopted by the Perris Public Financing Authority at a regular meeting held on the 30th day of March, 2010, by the following called vote:

AYES:            COUNCILMEMBERS:       Landers, Yarbrough, Evans, Rogers, Busch  
NOES:            COUNCILMEMBERS:       None  
ABSENT:         COUNCILMEMBERS:       None  
ABSTAIN:        COUNCILMEMBERS:       None

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Judy L. Haughney, C.M.C., Agency Secretary