

**RESOLUTION NUMBER 4010**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACTING FOR THE CITY AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NOS. 88-1, 88-3 AND 90-1 OF THE CITY OF PERRIS; AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS FOR EACH DISTRICT; PERMITTING THE PURCHASE OF SUCH BONDS BY THE PERRIS PUBLIC FINANCING 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”), located in Riverside County, California, has heretofore (a) as legislative body of Community Facilities District No. 88-1 of the City of Perris (“CFD No. 88-1”) issued its Community Facilities District No. 88-1 (Triple Crown Ranch) of the City of Perris Special Tax Refunding Bonds 1996 Series A (the “Prior 88-1 Bonds”), (b) as legislative body of Community Facilities District No. 88-3 of the City of Perris (CFD No. 88-3”) issued its Community Facilities District No. 88-3 of the City of Perris Special Tax Refunding Bonds 1996 Series A (the “Prior 88-3 Bonds”) and (c) as legislative body of Community Facilities District No. 90-1 (“CFD No. 90-1, and together with CFD No. 88-1 and CFD No. 88-3, the “Districts”) issued its Community Facilities District No. 90-1 of the City of Perris Special Tax Refunding Bonds 1996 Series A (the “Prior 90-1 Bonds” and, together with the Prior 88-1 Bonds and the Prior 88-3 Bonds, the “Prior District Bonds”); and

**WHEREAS**, the Prior District Bonds were issued pursuant to the terms and provisions of 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**, the Prior District Bonds were sold to the Perris Public Financing Authority (“the Authority”) pursuant to the terms of Mark-Roos Local Bond Pooling Act of 1985 (Sections 6500, *et seq.*, of the California Government Code) (the “Bond Law”); and

**WHEREAS**, the Authority purchased the Prior District Bonds with the proceeds of the sale of its Perris Public Financing Authority Local Agency Parity Revenue Bonds, 1996 Series F (“Prior Authority Bonds”) issued pursuant to the Bond Law; and

**WHEREAS**, the Districts and the Authority have determined to refund the Prior Authority Bonds and Prior District Bonds to effect savings and provide for increased security for the refunding bonds and have determined that it is prudent in the management of their fiscal affairs to refund the Prior Authority Bonds; and

**WHEREAS**, in order to refund the Prior Authority Bonds, the Authority will issue its Perris Public Financing Authority Local Agency Revenue Bonds, 2007 Series A and its Perris

Public Financing Authority Local Agency Subordinated Revenue Bonds, 2007 Series B (collectively, the "Authority Bonds") pursuant to the Bond Law, and sell the Authority Bonds to Southwest Securities, Inc., as underwriter ("Underwriter"), pursuant to the terms of a Purchase Contract, a copy of which is on file with the City Clerk (the "Authority Purchase Contract"), by and among the Underwriter, the Authority and the Districts; and

**WHEREAS**, pursuant to Section 53362 of the Act, the City Council, as legislative body of the Districts may issue new bonds to exchange or refund any or all of the Prior District Bonds in accordance with the Act; and

**WHEREAS**, in order to accomplish the exchange, the City Council, acting as the legislative body of each of the Districts respectively, has determined to issue (a) its Community Facilities District No. 88-1 of the City of Perris Special Tax Refunding Bonds, 2007 Series (the "Series 88-1 Bonds"), to refund the Prior 88-1 Bonds, (b) its Community Facilities District No. 88-3 of the City of Perris Special Tax Refunding Bonds, 2007 Series, to refund the Prior 88-3 Bonds (the "Series 88-3 Bonds") and (c) its Community Facilities District No. 90-1 of the City of Perris Special Tax Refunding Bonds, 2007 Series, to refund the Prior 90-1 Bonds (the "Series 90-1 Bonds", and together with the Series 88-1 Bonds and the Series 88-3 Bonds, the "District Bonds" or the "Bonds"); and

**WHEREAS**, the Series 88-1 Bonds will be issued pursuant to the Act and a Fiscal Agent Agreement, by and between CFD No. 88-1 and Wells Fargo Bank National Association, as fiscal agent, a copy of which is on file with the City Clerk (the "88-1 Fiscal Agent Agreement"); and

**WHEREAS**, the Series 88-3 Bonds will be issued pursuant to the Act and a Fiscal Agent Agreement, by and between CFD No. 88-3 and Wells Fargo Bank National Association, as fiscal agent, a copy of which is on file with the City Clerk (the "88-3 Fiscal Agent Agreement"); and

**WHEREAS**, the Series 90-1 Bonds will be issued pursuant to the Act and a Fiscal Agent Agreement, by and between CFD No. 90-1 and Wells Fargo Bank National Association, as fiscal agent, a copy of which is on file with the City Clerk (the "90-1 Fiscal Agent Agreement" and, together with the 88-1 Fiscal Agent Agreement and the 88-3 Fiscal Agent Agreement, the "Fiscal Agent Agreements"); and

**WHEREAS**, the agenda submittal and information submitted concurrently with the approval hereof, the Fiscal Agent Agreements and escrow agreement referred to therein describe the bond terms and other items as may be required by Sections 53363.2 and 53363.8 of the Act; and

**WHEREAS**, the legislative body of the Districts has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the District Bonds to the Perris Public Financing Authority (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, a copy of which is on file with the City Clerk (the "District Purchase Contract"), will result in a lower overall cost to the Districts than a public sale of the District Bonds; and

**WHEREAS**, the Authority will use the proceeds of the Authority Bonds to refund the Prior Authority Bonds, to pay certain costs of issuance and fund certain reserve funds and purchase the District Bonds in exchange for the Prior District Bonds and other funds in connection therewith; and

**WHEREAS**, in order to effect the issuance of the District Bonds by the District and the Authority 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 forms of and authorize the execution and delivery of Fiscal Agent Agreements, the District Purchase Contract and the Continuing Disclosure Agreement (as hereinafter defined), the forms of which are on file with the City Clerk; and

**WHEREAS**, the Authority Bonds and the District Bonds will be issued on or about September 1, 2007, and the refunding will take place on or about September 1, 2007; and

**WHEREAS**, special taxes within each of the Districts will be reduced annually on a pro rata basis based on the reduced debt service required to make payments on the District Bonds in place of the Prior District Bonds; and

**WHEREAS**, the legislative body of the Districts has determined that it is prudent in the management of its fiscal affairs to issue the District Bonds;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF THE DISTRICTS, 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.

**Section 3.** The issuance of the Series 88-1 Bonds in a principal amount not to exceed \$8,700,00; the Series 88-3 Bonds in a principal amount not to exceed \$7,500,000; and the Series 90-1 Bonds in a principal amount not to exceed \$4,000,000 is hereby authorized, with the exact principal amount to be determined by the official signing of the District Purchase Contract 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 to issue the District Bonds. The District Bonds shall mature on the dates and pay interest at the rates set forth in the District Purchase Contract to be executed on behalf of the District in accordance with Section 7 hereof.

**Section 4.** The form of the Fiscal Agent Agreements, be and are hereby approved in substantially the forms 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 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 the Fiscal Agent Agreements. 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 the Mayor or an Authorized Officer (to the extent the Mayor or Mayor Pro Tem is unavailable), and the seal of the Districts or the City, if any, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the City Clerk. Wells Fargo 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 Agreements to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the Districts, and shall be complied with by the District and its officers.

**Section 7.** The form of the District 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 Southwest Securities, Inc., 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 on the Authority Bonds shall not exceed 6% and the Underwriter's discount shall not exceed 2% of the principal amount of the Authority Bonds. The District Bonds shall be purchased in accordance with the Bond Law.

**Section 8.** The form of the Continuing Disclosure Agreement on file with the City Clerk relating to each of the Districts and the Authority Bonds and executed and delivered by the City and MuniFinancial, 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 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 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 Authority Bonds and the District Bonds shall be submitted to the Mayor, City Manager or Assistant City Manager for approval.

**Section 10.** 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.

**Section 11.** The law firm of Aleshire & Wynder, LLP, Irvine, California, is hereby appointed as bond counsel to the Districts with respect to the District Bonds.

**Section 12.** The financing consultant firm of Rod Gunn Associates, Inc., Huntington Beach, California, is hereby appointed as financial advisor to the Districts with respect to the District Bonds.

**Section 13.** The law firm of Fulbright & Jaworski, L.L.P., Los Angeles, California, is hereby appointed as Disclosure Counsel with respect to the District Bonds.

**Section 14.** Each Authorized Officer and the other officers and staff of the City of Perris and the District responsible for the fiscal affairs of the Districts are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the District Bonds and to consummate the transactions contemplated by each aforesaid Agreement, including, but not limited to, bond insurance contracts and commitments, escrow agreements to effectuate the refunding and a tax and non-arbitrage certificate related to the Authority Bonds and/or the District Bonds. 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 15.** This Resolution shall take effect and be enforceable immediately upon its adoption.

***ADOPTED, SIGNED and APPROVED*** this 10<sup>th</sup> day of July, 2007.

---

Mayor, Daryl R. Busch

ATTEST:

---

City Clerk, Judy L. Haughney

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

I, Judy L. Haughney, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 4010 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 10<sup>th</sup> day of July, 2007, and that it was so adopted by the following called vote:

AYES: Yarbrough, Landers, Motte, Rogers, Busch

NOES:

ABSENT:

ABSTAIN:

---

City Clerk, Judy L. Haughney