

RESOLUTION NUMBER 3152

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS) OF THE CITY OF PERRIS; AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THIRTEEN MILLION DOLLARS (\$13,000,000); 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 (hereinafter sometimes referred to as the “legislative body of the District”) has heretofore undertaken proceedings and declared the necessity of Community Facilities District No. 2001-1 (May Farms) of the City of Perris (the “District”) to issue bonds 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, pursuant to Resolutions adopted by the legislative body of the District on May 28, 2002, certain bond propositions were submitted to the qualified electors within each improvement area of the District, and were approved by more than two-thirds of the votes cast at the elections held within each improvement area on May 28, 2002; and

WHEREAS, based upon Resolutions adopted by the legislative body of the District and the election, the District is now authorized to issue bonds in one or more series, pursuant to the Act, in an aggregate principal amount not to exceed \$1,750,000 for Special Tax Revenue Bonds with respect to Improvement Area No. 1 of the District, \$5,015,000 with respect to Improvement Area No. 2 of the District and \$7,550,000 with respect to Improvement Area No. 3 of the District; and

WHEREAS, the legislative body of the District desires to issue bonds for the District at this time under the Act to finance certain public facilities within Improvement Areas No. 1, 2 and 3 of the District, and fees which the District is authorized to finance; and

WHEREAS, the District desires to accomplish the financing of certain public facilities and fees through the issuance of (a) bonds in an aggregate principal amount not to exceed \$1,455,000 designated as the “Improvement Area No. 1 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Revenue Bonds, 2003 Series A (the “Series A Bonds”), (b) bonds in an aggregate principal amount not to exceed \$4,225,000 designated as “Improvement Area No. 2 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Revenue Bonds, 2003 Series B” (the “Series B Bonds”)

and (c) bonds in an aggregate principal amount not to exceed \$6,360,000 designated as “Improvement Area No. 3 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Revenue Bonds, 2003 Series C” (the “Series C Bonds” and, together with the Series A Bonds and the Series B Bonds, the “Bonds”); and

WHEREAS, the legislative body of the District has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the Bonds to the Perris Public Financing Authority (the “Authority”) in accordance with the terms of the Commitment Agreement and Purchase Contract for the Purchase and Sale of Local Obligation Bonds to be entered into between the District and the Authority (the “District Purchase Contract”) and the sale of the Authority Bonds (as hereinafter defined) to O’Connor Southwest Securities (the “Underwriter”) pursuant to the Purchase Contract to be entered into between the District, the Authority and O’Connor Southwest Securities, as underwriter (the “Authority Purchase Contract”), will result in a lower overall cost to the District than a public sale of the Bonds; and

WHEREAS, to purchase the Bonds from the District, the Authority will issue not to exceed \$13,000,000 aggregate principal amount of Perris Public Financing Authority 2003 Local Agency Revenue Bonds, Series A (the “Authority Bonds”); and

WHEREAS, in order to effect the issuance of the Bonds, the legislative body of the District desires to approve the form of a Preliminary Official Statement with respect to the Authority Bonds and to approve the forms of and authorize the execution and delivery of three fiscal agent agreements, the District Purchase Contract, the Authority Purchase Contract and a continuing disclosure agreement for the Authority Bonds, the forms of which are on file with the City Clerk; and

WHEREAS, the District desires to sell the Bonds to the Authority, and the Authority will purchase the Bonds from the District, solely from the Authority’s concurrent sale of the Authority Bonds to the Underwriter pursuant to the District Purchase Contract and Authority Purchase Contract; and

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

WHEREAS, the appraised value of the real property in each improvement area within the District subject to the special tax to pay debt service on each series of the Bonds is more than three times the principal amount of the corresponding series of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act of a special assessment levied on property within the respective improvement area of the District, which in fact is required as a precondition to the issuance of each series of the Bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS) 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 Bonds for the purpose of financing public facilities and fees which the District is authorized to finance.

Section 3. The issuance of the Series A Bonds in a principal amount not to exceed \$1,455,000, the Series B Bonds in a principal amount not to exceed \$4,225,000 and Series C Bonds in a principal amount not to exceed \$6,360,000 is hereby authorized, with the exact principal amount to be determined by the official signing of the District Purchase Contract for the Bonds in accordance with Section 9 below. The legislative body of the District hereby determines that it is prudent in the management of its fiscal affairs to issue the Bonds. The Bonds shall mature on the dates and pay interest at the rates set forth in the Purchase Contract to be executed on behalf of the District in accordance with Section 9 hereof and the Fiscal Agent Agreements (as hereinafter defined).

Section 4. The form of the Fiscal Agent Agreement, dated as of October 1, 2003 (the "Series A Fiscal Agent Agreement"), by and between the District and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent") relating to the Series A Bonds, 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 or City Manager or Finance Director, said Mayor's or City Manager's or Finance Director's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and the Mayor or City Manager or Finance Director be and is hereby authorized, together or alone, to execute and deliver the Series A Fiscal Agent Agreement.

Section 5. The form of the Fiscal Agent Agreement, dated as of October 1, 2003 (the "Series B Fiscal Agent Agreement"), by and between the District and the Fiscal Agent relating to the Series B Bonds, a copy of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof or which such changes as may be approved by the Mayor or City Manager or Finance Director, said Mayor's or City Manager's or Finance Director's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and the Mayor or City Manager or Finance Director be and is hereby authorized, together or alone to execute and deliver the Series B Fiscal Agent Agreement.

Section 6. The form of the Fiscal Agent Agreement, dated as of October 1, 2003 (the "Series C Fiscal Agent Agreement"), by and between District and the Fiscal Agent relating to the Series C Bonds, 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 or City Manager or Finance Director, said Mayor's or City Manager's or Finance Director's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and the Mayor or City Manager or Finance Director be and is hereby authorized, together or alone to execute and deliver the Series C Fiscal Agent Agreement. The Series A Fiscal Agent Agreement, the Series B Fiscal Agent Agreement and the Series C Fiscal Agent Agreement are collectively referred to herein as the Fiscal Agent Agreements.

Section 7. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor of the City 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 Bonds.

Section 8. The covenants set forth in the Fiscal Agent Agreement to be executed in accordance with Sections 4, 5 and 6 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 9. The form of the District Purchase Contract relating to the purchases of the Bonds by the Authority, a copy of which is on file with the City Clerk, is hereby approved in the form thereof, or with such changes as may be approved by the Mayor, City Manager or Finance Director, said Mayor's or City Manager's or Finance Director's execution thereof to constitute conclusive evidence of said officer's approval of such changes, and the Mayor or City Manager or Finance Director be and is hereby authorized, together or alone, to execute and deliver said Agreement and to insert in each of the aforesaid Agreements the dollar amount which reflects the provisions of said District Purchase Contract.

Section 10. The form of the Authority Purchase Contract relating to the purchase of the Authority Bonds by the Underwriter, a copy of which is on file with the City Clerk, is hereby approved in the form thereof, or with such changes as may be approved by the Mayor or City Manager or Finance Director, said Mayor's or City Manager's or Finance Director's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and the Mayor or City Manager or Finance Director be and is hereby authorized, together or alone, to execute and deliver said Agreement and to insert in each of the aforesaid Agreements the dollar amount which reflects the provisions of said Authority Purchase Contract, provided, however, that (1) the aggregate principal amount of the Authority Bonds shall not exceed \$13,000,000; and (2) the Authority and the District shall have received from the Underwriter prior to the sale of the Bonds, its written confirmation that the Bonds will have a True Interest Cost of not more than 7.0%.

Section 11. The forms of the Continuing Disclosure Agreement executed and delivered by the District and MuniFinancial, as Dissemination Agent thereunder, 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 or City Manager or Finance Director, said Mayor's or City Manager's or Finance Director's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and the Mayor or City Manager or Finance Director be and is hereby authorized, together or alone, to execute and deliver said Agreement.

Section 12. 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.

Section 13. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the value of (a) the real property in Improvement Area 1 of the District subject to the special tax to pay debt service on the Series A Bonds is not less than three times the principal amount of the Series A 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 Improvement Area No. 1 of the District, (b) the real property in Improvement Area No. 2 of the District subject to the special tax to pay debt service on the Series B Bonds is not less than three times the principal amount of the Series B 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 Improvement Area No. 2 of the District, and (c) the real property in Improvement Area 3 of the District subject to the special tax to pay debt service on the Series C Bonds is not less than three times the principal amount of the Series C 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 Improvement Area No. 3 of the District. These determinations are based on the value of the real property within the District in an appraisal prepared for the District, which appraisal has been made in a manner consistent with the City of Perris policies adopted pursuant to Section 53312.7 of the Act.

Section 14. The law firm of Aleshire, Wynder & Sylva, LLP, Irvine, California, is hereby appointed as bond counsel to the District with respect to the Bonds.

Section 15. The financing consultant firm of Rod Gunn Associates, Inc., Huntington Beach, California, is hereby appointed as financial advisor to the District with respect to the Bonds.

Section 16. The law firm of Fulbright & Jaworski, LLP, Los Angeles, California, is hereby recognized as Underwriter's Counsel with respect to the Bonds.

Section 17. The Mayor, City Manager, Finance Director and the other officers and staff of the City of Perris 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 as are necessary to accomplish the issuance, sale and delivery of the 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 clerk.

Section 18. This resolution shall take effect and be enforceable immediately upon its adoption.

ADOPTED, SIGNED and **APPROVED** this 16th day of September, 2003.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Margaret Rey

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

I, Margaret Rey, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3152 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 16th day of September, 2003, and that it was so adopted by the following called vote:

AYES: Landers, Motte, Rogers, Yarbrough, Busch

NOES:

ABSENT:

ABSTAIN:

City Clerk, Margaret Rey