

**RESOLUTION NUMBER 5159**

***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING FOR THE CITY AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS) OF THE CITY OF PERRIS AND COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PERRIS VALLEY VISTAS) OF THE CITY OF PERRIS, AUTHORIZING THE ISSUANCE OF BONDED INDEBTEDNESS IN AN INITIAL PRINCIPAL AMOUNT NOT TO EXCEED \$28,000,000 TO REFINANCE CERTAIN PRIOR BONDS OF EACH 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**, pursuant to the 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”), the City of Perris (the “City”) formed and undertook change proceedings establishing (a) Community Facilities District No. 2001-1 (May Farms) of the City of Perris (the “2001-1 District”) and seven improvement areas therein, including Improvement Area No. 4 (“IA4”) and Improvement Area No. 5 (“IA5”), and (b) Community Facilities District No. 2005-1 (Perris Valley Vistas) of the City of Perris (the “2005-1 District”) and, together with the 2001-1 District, the “Districts”) and four improvement areas therein, including Improvement Area No. 4 (“2005-1 IA4”); and

**WHEREAS**, in order to finance certain public facilities and fees, the City, on behalf of the Districts issued (a) \$16,475,000 initial principal amount of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Improvement Area No. 4 Special Tax Bonds, 2005 Series A (the “Prior (2001-1) IA4 Bonds”), (b) \$9,680,000 initial principal amount of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Improvement Area No. 5 Special Tax Bonds, 2006 Series A (the “Prior (2001-1) IA5 Bonds”), and (c) \$3,385,000 initial principal amount of Community Facilities District No. 2005-1 of the City of Perris Improvement Area No. 4 Special Tax Bonds, 2007 Series A (the “Prior (2005-1) IA4 Bonds” and, together with the Prior (2001-1) IA4 Bonds and the Prior (2001-1) IA5 Bonds, the “Prior Bonds”); and

**WHEREAS**, \$13,735,000 aggregate principal amount of the Prior (2001-1) IA4 Bonds, \$8,260,000 of the Prior (2001-1) IA5 Bonds and \$2,820,000 of the Prior (2005-1) IA4 Bonds will remain outstanding as of September 2, 2017, and each is secured by the levy of special taxes within the applicable improvement area (“Improvement Area”), pursuant to the Rate and Method of Apportionment for each of the Districts specific to the respective Improvement Area; and

**WHEREAS**, the 2001-1 District desires to accomplish the refinancing of the Prior (2001-1) IA4 Bonds and the Prior (2001-1) IA5 Bonds through the issuance of bonds in an initial principal amount not to exceed (a) \$15,000,000 designated as the “Improvement Area No. 4 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Refunding Bonds, 2017 Series A”, and (b) \$9,500,000 designated as the “Improvement Area No. 5 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris Special Tax Refunding Bonds, 2017 Series B” (collectively, the “2001-1 District Bonds”); and

**WHEREAS**, the 2005-1 District desires to accomplish the refinancing of the Prior (2005-1) IA4 Bonds through the issuance of bonds in an initial principal amount not to exceed \$3,500,000 designated as the “Improvement Area No. 4 of Community Facilities District No. 2005-1 (Perris Valley Vistas) of the City of Perris Special Tax Refunding Bonds, 2017 Series A” (the “2005-1 District Bonds” and, collectively with the 2001-1 District Bonds, the “District Bonds”); 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**, in order to raise the funds to purchase the District Bonds and refund the Prior Bonds, the Authority will issue its Perris Joint Powers Authority Local Agency Revenue Refunding Bonds (CFD No. 2001-1 IA Nos. 4 and 5, CFD 2005-1 IA4), 2017 Series B (the “Authority Bonds”) pursuant to Article 4 of the Bond Law, and use the proceeds thereof to purchase the District Bonds, to pay certain costs of issuance and fund certain reserve funds and other funds in connection therewith; and

**WHEREAS**, the legislative body of each of the Districts 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 Brandis Tallman, LLC (the "Underwriter") pursuant to the terms of the Bond Purchase Agreement, by between the Authority, and the Underwriter (the “Authority Purchase Agreement”), 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 Districts and the Authority Bonds, and the refunding of the Prior Bonds, the legislative body of the Districts desires to approve the form of a Preliminary Official Statement for the Authority Bonds and the District Bonds and to approve the form of and authorize the execution and delivery of three fiscal agent agreements, by and between the applicable District on behalf of each Improvement Area, and U.S. Bank National Association, as Fiscal Agent (the “Fiscal Agent

Agreements”), with respect to the issuance of the District Bonds, forms of which are on file with the City Clerk; and

**WHEREAS**, the Districts further desire to approve the forms and/or authorize the execution and delivery of the Local Obligation Purchase Contract, the Escrow Agreements (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 Districts have 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 Bonds will effect savings; and

**WHEREAS**, the value of the real property within the respective Improvement Area of the Districts subject to the special tax to pay debt service on the respective District Bonds is more than three times the principal amount of the respective 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 respective Improvement Area of the Districts, which fact is required as a precondition to the issuance of the District Bonds.

**WHEREAS**, City has held a public hearing on the date hereof related to the public benefits related to the sale and issuance of the Authority Bonds; and

**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. 2001-1 (May Farms) of the City of Perris and Community Facilities District No. 2005-1 (Perris Valley Vistas) 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 and/or Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the of the California Government Code, being the refunding act, to issue the District Bonds for the purpose of refinancing the Prior Bonds and therefore the capital improvements and public facilities in the Districts and effectuate the refunding, cancellation or defeasance of the Prior Bonds.

**Section 3.** The issuance of the 2001-1 District Bonds in a principal amount not to exceed \$15,000,000 with respect to IA4 and \$9,500,000 with respect to IA5, and the issuance of the 2005-1 District Bonds in a principal amount not to exceed \$3,500,000, are 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 Districts 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 Districts in accordance with Section 7 hereof.

**Section 4.** The forms of the Fiscal Agent Agreements, copies of which are on file with the City Clerk, be and are 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 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 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 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 Agreements to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the legislative body of the applicable District, and shall be complied with by the applicable District and its officers.

**Section 7.** The forms of the Local Obligation Bond Purchase Contract relating to the purchase of the District 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 an Authorized Officer, said Authorized Officer's execution of the Local Obligation Purchase Contract 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 and to insert in each of the aforesaid Local Obligation Purchase Contract 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 4.50%% and the Underwriter's discount shall not exceed 1% 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 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. The final Official Statement relating to the District Bonds shall be submitted to an Authorized Officer of the Authority for approval.

**Section 9.** The three forms of the Escrow Deposit and Trust Agreement, by and among the Authority, the applicable District and U.S. Bank National Association, as Escrow Agent (the "Escrow Agreement"), a form of each 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 10.** In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the Districts hereby determines that the value of the real property within the respective 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 applicable District and Improvement Area thereof. This determination is based on the assessed value of the real property within the Improvement Areas of each District as shown in the records of the County. The Districts have not prepared an appraisal in connection with the refinancing of the Districts because the Districts have already been developed, and therefore, the City waives any requirement in the City's policies related to an appraisal.

**Section 11.** 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 12.** 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 13.** 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 14.** This resolution shall take effect and be enforceable immediately upon its adoption.

**ADOPTED, SIGNED and APPROVED** this 29th day of August, 2017.

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MICHAEL M. VARGAS, MAYOR

ATTEST:

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NANCY SALAZAR, CITY CLERK

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 5159 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 29th day of August, 2017, and that it was so adopted by the following vote:

AYES: BURKE, CORONA, RABB, ROGERS, VARGAS  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

By: \_\_\_\_\_  
NANCY SALAZAR, CITY CLERK