

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE ELSINORE FACILITIES FINANCING AUTHORITY, LAKE ELSINORE, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A GROUND LEASE, LEASE AGREEMENT, AN INDENTURE, AN ASSIGNMENT AGREEMENT AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF LAKE ELSINORE FACILITIES FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2022A, AUTHORIZING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$27,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

Whereas, the City of Lake Elsinore (the "City") desires to finance the acquisition and/or construction of various "public capital improvements" within the meaning of the Act (defined below) all of which are or shall be located within the boundaries of the City and collectively constitute the "Project;" and

Whereas, the Authority and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the "Lake Elsinore Facilities Financing Authority Lease Revenue Bonds, Series 2022A" (the "Bonds") for the purpose of financing the Project; and

Whereas, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the "Ground Lease") pursuant to which the City will lease certain real property (which real property shall consist of all or certain of assets generally described as Swick-Matich Park, Tuscany Hills Park, McVicker Canyon Park, Summerly Community Park, Launch Pointe Park, Fire Station No. 85 and Fire Station No. 94) (together, the "Leased Assets") to the Authority, and a Lease Agreement between the City and the Authority (the "Lease Agreement"), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which are pledged to the owners of the Bonds by the Authority pursuant to an Indenture of Trust by and between Wilmington Trust, National Association (the "Trustee") and the Authority (the "Indenture"); and

Whereas, the Authority and the Trustee desire to enter into an Assignment Agreement in order to provide, among other things, that all rights to receive the Base Rental Payments will be assigned without recourse by the Authority to the Trustee;

Whereas, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the "Act");

Whereas, the City and the Authority desire to provide for the negotiated sale of the Bonds;

Whereas, the City and the Authority have selected Stifel, Nicolaus & Company, Incorporated, to act as underwriter (the "Underwriter") to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement");

Whereas, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) has been prepared;

Whereas, the City is a member of the Authority and the Project is located within the boundaries of the City;

Whereas, the City has prior to the consideration of this resolution held a public hearing on the financing of the Project with the proceeds of the issuance of the Bonds in accordance with Section 6586.5 of the Act, which hearing was held at 183 North Main Street, Lake Elsinore on May 10, 2022;

Whereas, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in The Press-Enterprise, a newspaper of general circulation in the City;

Whereas, the Board of Directors of the Authority (the “Board of Directors”) has been presented with the form of each document referred to herein, and the Board of Directors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

Whereas, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKE ELSINORE FACILITIES FINANCING AUTHORITY, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board of Directors so finds. The Board of Directors has determined and hereby finds that the Authority’s assistance in financing the Project by the issuance and delivery of the Bonds will result in significant public benefits of the type described in Section 6586 (a) through (d), inclusive, of the Act and that all Project elements to be financed with the proceeds of the Bonds have been or will be approved pursuant to all applicable requirements of the California Environmental Quality Act (Public Resources Code Section 2100 et seq.) and applicable guidelines, or are exempt therefrom.

Section 2. The forms of the Lease Agreement and the Ground Lease, on file with the Secretary of the Authority, are hereby approved, and the Chair of the Authority, or such other member of the Board of Directors as the Chair may designate, the Executive Director of the Authority and the Treasurer of the Authority (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Lease Agreement and the Ground Lease, respectively, in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Lease Agreement and the Ground Lease shall terminate no later than April 1, 2053 (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the Base Rental Payments shall not exceed 5.50% per annum.

Section 3. The form of Indenture, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Bonds shall not exceed \$27,000,000, the final maturity date of the Bonds shall be no later than April 1, 2053 and the true interest cost applicable to the Bonds shall not exceed 5.50% per annum and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

Section 4. The issuance of not to exceed \$27,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby authorized and approved.

Section 5. The form of Assignment Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Bond Purchase Agreement on file with the Secretary of the Authority is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Authority to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount in excess of one percent (1.0%) of the aggregate principal amount of the Bonds.

Section 7. The form of Preliminary Official Statement, on file with the Secretary of the Authority, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds a reasonable number of copies of the Preliminary Official Statement.

Section 8. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to

execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

Section 9. Each of the Authorized Officers is authorized to select a municipal bond insurer to insure payments of the principal of and interest on the Bonds so long as such Authorized Officer determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the Bonds. Bond Counsel is hereby directed to make all changes to the Indenture, the Ground Lease, the Lease Agreement, the Assignment Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the final Official Statement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

Section 10. Each of the Authorized Officers is authorized to select a municipal bond insurer to provide a reserve fund surety bond to be deposited into the reserve fund for the Bonds so long as such officer or officers determine that obtaining the reserve fund surety bond will be cost effective to the Authority. Each of the Authorized Officers or the designee thereof are authorized to execute and deliver any customary agreement with the municipal bond insurer providing the reserve fund surety bond. Bond Counsel is hereby directed to make all changes to the Indenture, the Ground Lease, the Lease Agreement, the Assignment Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the final Official Statement as are necessary to reflect the reserve fund surety bond and the reasonable comments of the municipal bond insurer in connection therewith.

Section 11. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Each of the Authorized Officers is hereby expressly authorized to add or substitute one or more additional City owned properties for any or all of the Leased Assets, should such Authorized Officer determine in his or her sole discretion that it is in the best interests of the Authority to use such City owned property. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 12. This Resolution shall take effect from and after its date of adoption.

Passed and Adopted this 10th day of May, 2022.

Timothy J. Sheridan, Chair

Attest:

Candice Alvarez, MMC
Secretary