

**RESOLUTION NO. 2017 – \_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE,  
CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES  
DISTRICT NO. 2015-5 OF THE CITY OF LAKE ELSINORE (TRIESTE)  
AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS, SERIES 2017 IN A  
PRINCIPAL AMOUNT NOT TO EXCEED TWO MILLION SEVEN HUNDRED  
THOUSAND DOLLARS (\$2,700,000) AND APPROVING CERTAIN DOCUMENTS  
AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**Whereas**, the City Council (Council) of the City of Lake Elsinore (City), has heretofore undertaken proceedings and declared the necessity to issue bonds on behalf of City of Community Facilities District (CFD) No. 2015-5 of the City of Lake Elsinore (Trieste) (District) 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 (Act); and,

**Whereas**, pursuant to Resolution Nos. 2016-091 and 2016-092 adopted by the legislative body of the District on July 26, 2016, certain bond propositions were submitted to the qualified electors within the District, and were approved by more than two-thirds of the votes cast at the election held on July 26, 2016; and,

**Whereas**, the legislative body of the District desires to issue a first series of bonds at this time under the Act to finance certain public facilities which the District is authorized to finance; and,

**Whereas**, the District desires to accomplish the financing of certain public facilities through the issuance of bonds in an aggregate principal amount not to exceed \$2,700,000 designated as the "CFD No. 2015-5 of the City of Lake Elsinore (Trieste) Special Tax Bonds, Series 2017" (Bonds); and,

**Whereas**, in order to effect the issuance of the Bonds, the District desires to enter into various agreements and approve certain documents in substantially the forms presented herein; and,

**Whereas**, based on the appraisal of real property prepared by Kitty Siino, MAI (Appraisal) with respect to the Bonds, the value of the real property in the District subject to the special tax to pay debt service on the Bonds is more than three times the sum of the principal amount of the 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 District as calculated in the manner set forth in Section 53345.8(a) of the Act; and,

**Whereas**, the City has determined in accordance with Section 53360.4 of the Act that a negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated (Underwriter) in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (Bond Purchase Agreement) approved as to form by this Council herein will result in a lower overall cost to the District than a public sale; and,

**Whereas**, in order to facilitate the funding of the public facilities, the legislative body of the District desires to enter into an Funding Agreement (Funding Agreement) with Far West Industries, a California corporation (Developer), approved as to form by this Council herein;

**Whereas**, pursuant to Government Code Section 8855, the District is required to adopt a debt management policy; and,

**Whereas**, the District has determined to adopt the City's Debt Management Policy adopted by the Council on July 11, 2017, as the debt management policy of the District.

**NOW, THEREFORE, THE CITY COUNCIL, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2015-5 OF THE CITY OF LAKE ELSINORE (TRIESTE), DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOW:**

**Section 1:** Each of the above recitals is true and correct.

**Section 2:** The issuance of the Bonds is hereby authorized in an aggregate principal amount not to exceed \$2,700,000, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The Council hereby determines that it is prudent in the management of the District's fiscal affairs to issue the Bonds. The Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. All other provisions of the Bonds shall be governed by the terms and conditions of the Bond Indenture (Indenture), which Indenture shall be substantially in the form on file with the Clerk of the City, with such additions thereto and changes therein as the officer or officers executing the same deem necessary to enhance the security for the Bonds, to cure any ambiguity or defect therein, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof or to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the Underwriter of the Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by one of the following: the Mayor, City Manager, Assistant City Manager, or their written designees (each, an Authorized Officer and collectively, the Authorized Officers), each of whom is authorized to execute the Indenture. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

**Section 3:** The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor of the City or his or her written designee and be attested by the manual or facsimile signature of the Clerk of the City. Wilmington Trust, National Association is hereby appointed to act as trustee, registrar and transfer agent for the Bonds.

**Section 4:** The covenants set forth in the Indenture to be executed in accordance with Section 2 above are hereby approved, shall be deemed to be covenants of the Council and shall be complied with by the District and its officers. The Indenture shall constitute a contract between the District and the Owners of the Bonds.

**Section 5:** The form of the Bond Purchase Agreement presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by one or more of such Authorized Officers; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter's discount (exclusive of original issue discount) does not exceed 2.00 percent of the principal amount of the Bonds and only if

the interest rate on the Bonds does not exceed 5.00 percent per annum. Each of the Authorized Officers is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

**Section 6:** The form of the Continuing Disclosure Certificate presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Certificate in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such certificate.

**Section 7:** 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 prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Authorized Officers to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officers, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers of the Bonds upon the execution of the final Official Statement as described above.

**Section 8:** In accordance with the requirements of Section 53345.8 of the Act, based on the Appraisal, the legislative body of the District hereby determines that the value of the real property in the District subject to the special tax to pay debt service on the Bonds is more than three times the principal amount of the 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 District, all as calculated in the manner provided in Section 53345.8(a) of the Act.

**Section 9.** The form of the Funding Agreement presented at this meeting is hereby approved and any one of the Authorized Officers, acting alone, is hereby authorized and directed to execute the Acquisition Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such agreement.

**Section 10:** Each Authorized Officer is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, printing the Bonds, obtaining legal services, trustee and paying agent services and any other services deemed appropriate as set forth in a certificate of such Authorized Officer. Each Authorized Officer is authorized to pay for the cost of such services, together with other costs of issuance, from Bond proceeds deposited pursuant to the Indenture.

**Section 11:** The Authorized Officers, the Clerk of the City 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 as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of

this Resolution and the fulfillment of the purposes of the Bonds as described in the Indenture, including the execution of a cash depository agreement with the Developer and Wilmington Trust, National Association relating to any security provided by the Developer with respect to the special taxes to be levied within the District, and providing certificates to the Underwriter as to the accuracy of any information relating to the District which is included within the Official Statement. Any document authorized herein to be signed by the Clerk of the City may be signed by a duly appointed deputy clerk.

**Section 12:** The District hereby adopts the City's Debt Management Policy, as amended, supplemented and restated from time to time, as the debt management policy of the District pursuant to California Government Code Section 8855.

**Section 13:** This Resolution shall take effect immediately upon its adoption.

**Section 14:** The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions.

**Passed and Adopted** on this 25th day of July 2017.

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Robert E. Magee, Mayor

**Attest:**

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Susan M. Domen, MMC  
City Clerk

STATE OF CALIFORNIA)  
COUNTY OF RIVERSIDE) ss.  
CITY OF LAKE ELSINORE)

I, Susan M. Domen, MMC, City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2017- \_\_\_\_\_ was adopted by the City Council of the City of Lake Elsinore, California, at the Regular meeting of July 25, 2017, and that the same was adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Susan M. Domen, MMC  
City Clerk