

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR  
AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF  
LAKE ELSINORE APPROVING THE ISSUANCE AND SALE OF THIRD  
LIEN TAX ALLOCATION BONDS BY THE SUCCESSOR AGENCY OF  
THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE  
AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION  
THEREWITH**

**WHEREAS**, the Redevelopment Agency of the City of Lake Elsinore (the “Former Agency”) was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the “Law”), and the powers of the Former Agency included the power to issue Bonds for any of its corporate purposes; and

**WHEREAS**, pursuant to California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (the “Successor Agency”), in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Summerly DDA, the Existing Bonds (as defined in the Indenture) and the related documents to which the Former Agency was a party; and

**WHEREAS**, the Former Agency previously entered into that certain Amended and Restated Disposition and Development Agreement by and among the Former Agency, McMillin Summerly LLC (the “Developer”), and Civic Partners-Elsinore LLC (the “Master Developer”) dated as of March 8, 2011 (the “Amended and Restated DDA”), and the Successor Agency subsequently entered into that certain Second Implementation Agreement dated as of January 24, 2017, by and among the Successor Agency, the Developer and the Master Developer (the “Implementation Agreement”; and, together with the Amended and Restated DDA, the “Summerly DDA”); and

**WHEREAS**, the Summerly DDA, specifically Sections 602.2, 604.2 and 605 of the Amended and Restated DDA, requires the Successor Agency to make certain payments to the Developer and the Master Developer, subject to various conditions precedent set forth in the Summerly DDA and based on calculations described in the Summerly DDA (the “DDA Payment Obligation”); and

**WHEREAS**, the DDA Payment Obligation was confirmed by the Successor Agency, the Developer and the Master Developer in the Implementation Agreement; and

**WHEREAS**, the Implementation Agreement also confirms the Successor Agency’s obligation to issue bonds to finance the DDA Payment Obligation; and

**WHEREAS**, the Implementation Agreement was approved by the Oversight Board and by the Department of Finance; and

**WHEREAS**, at the request of the Successor Agency, pursuant to Health and Safety Code Section 34177.5(i), the Department of Finance issued a Final and Conclusive Determination dated November 19, 2017 with respect to the DDA Payment Obligation; and

**WHEREAS**, Section 34177.5 of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the issuance of bonds and other indebtedness obligations, pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"), subject to the conditions and restrictions contained in said Section 34177.5; and

**WHEREAS**, said Section 34177.5(a)(4) of the California Health and Safety Code expressly authorizes the Successor Agency to issue bonds to make payments under enforceable obligations, such as the Summerly DDA, when the enforceable obligations include the irrevocable pledge of property tax increment and the obligation to issue bonds secured by that pledge; and

**WHEREAS**, pursuant to Section 34177.5(a)(4) of the California Health and Safety Code, the Successor Agency may pledge to the bonds issued to finance an enforceable obligation the property tax revenues and other funds described in the enforceable obligation, and that pledge, when made in connection with the issuance of the bonds, shall be valid, binding, and enforceable in accordance with its terms; and

**WHEREAS**, Section 606 of the Amended and Restated DDA sets forth an express pledge of certain tax increment revenues from the Project Areas to secure the Successor Agency's DDA Payment Obligation; and

**WHEREAS**, Section 607 of the Amended and Restated DDA requires the Successor Agency to use reasonable efforts to issue bonds upon the written request of the Developer and/or the Master Developer to finance the DDA Payment Obligation; and

**WHEREAS**, as required by Section 607 of the Amended and Restated DDA, following receipt of written requests by the Developer and Master Developer, the Successor Agency prepared and submitted to Developer and Master Developer a proposal to issue bonds to finance the Successor Agency's DDA Payment Obligation and the Developer and Master Developer expressly approved the Successor Agency's financing proposal in writing; and

**WHEREAS**, in order to provide moneys to finance the Successor Agency's DDA Payment Obligation, the Successor Agency desires to issue its Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017A (the "2017A Bonds") and its Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment Project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2017B (Federally Taxable) (the "2017B Bonds"; and, together with the 2017A Bonds, the "2017 Bonds"); and

**WHEREAS**, the 2017 Bonds will be issued pursuant to and in accordance with the provisions of Section 34177.5(a)(4) of the California Health and Safety Code, the Law, the Dissolution Act and the Refunding Law; and

**WHEREAS**, the 2017 Bonds, and any additional Parity Debt (defined in the Indenture), will be payable from Pledged Tax Revenues (as defined in the Indenture), and the pledge of Pledged Tax Revenues to the payment of the principal of and interest on the 2017 Bonds will, as applicable, be on a basis subordinate to the Successor Agency's pledge of specific tax increment revenues to the repayment of the Existing Bonds that remain outstanding after the issuance of the 2017 Bonds, as well as payments required under the Pass-Through Agreements and the Statutory Pass-Through Amounts; and

**WHEREAS**, the Successor Agency has previously approved all matters relating to the issuance and sale of the 2017 Bonds; and

**WHEREAS**, the Oversight Board desires to approve all matters relating to the issuance and sale of the 2017 Bonds as required by Sections 34177.5(f) and 34180 of the Health and Safety Code of the State of California.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, AS FOLLOWS:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The issuance by the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore of the 2017 Bonds in an aggregate principal amount not to exceed \$13,000,000 for the purpose of financing the DDA Payment Obligation in accordance with Health & Safety Code Section 34177.5(a)(4) and the pledge of property tax revenues to the 2017 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a)(4)) are hereby approved as provided for in the Indenture. The 2017 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2017 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2017 Bonds, without the need for any further approval from the Oversight Board. The Successor Agency may change the official name of the 2017 Bonds to reflect the year in which the 2017 Bonds are actually issued.

Section 3. The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Agreement, an Official Statement, a Continuing Disclosure Certificate and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

Section 4. The Chairman of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore are hereby authorized to execute such documents and certificates necessary to assist the Successor Agency in the issuance of the Bonds.

Section 5. Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2017 Bonds are issued.

Section 6. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2017.

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Chair of the Oversight Board for the Successor  
Agency of the Redevelopment Agency of the City of  
Lake Elsinore

ATTEST:

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Secretary of the Oversight Board for the  
Successor Agency of the Redevelopment  
Agency of the City of Lake Elsinore

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

SECRETARY'S CERTIFICATE  
RE ADOPTION OF RESOLUTION

I, Virginia Bloom, of the Secretary of the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Oversight Board at a special meeting of the City held on the \_\_\_\_ day of \_\_\_\_\_, 2017, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA                    )  
COUNTY OF RIVERSIDE                ) ss. SECRETARY'S CERTIFICATE  
CITY OF LAKE ELSINORE                ) OF AUTHENTICATION

I, \_\_\_\_\_, Secretary of the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, DO HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of Resolution No. \_\_\_\_\_ of the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and that said Resolution was adopted at the time and by the vote stated on the above certificate, and has not been amended or repealed.

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Secretary of the Oversight Board for the Successor  
Agency of the Redevelopment Agency of the City of  
Lake Elsinore