

**RESOLUTION NO. 2019-\_\_\_\_**

**RESOLUTION OF THE OF THE CITY COUNCIL OF THE CITY OF LAKE  
ELSINORE, CALIFORNIA AUTHORIZING THE SUBSTITUTION OF THE  
CASH DEPOSITED INTO THE RESERVE ACCOUNT WITH A MUNICIPAL  
BOND DEBT SERVICE RESERVE INSURANCE POLICY, APPROVING A  
DEBT SERVICE RESERVE AGREEMENT AND APPROVING CERTAIN  
DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION  
THEREWITH**

**WHEREAS**, the Lake Elsinore Recreation Authority (the "Authority") is joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise Powers Agreement by and between the City of Lake Elsinore (the "City") and the Redevelopment Agency of the City of Lake Elsinore under the provisions of Articles through commencing with Section 6500 of Chapter of Division of Title of the Government Code of the State of California (the "Act") and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority; and

**WHEREAS**, the Authority has previously issued its Lease Revenue Refunding Bonds (Public Facilities Project), Series 2013 (the "Bonds") pursuant to an Indenture, dated as of September 1, 2013 (the "Indenture"), by and between the Authority and Wilmington Trust, National Association (as successor to Union Bank, N.A.), as trustee (the "Trustee"), which Bonds are secured by certain base rental payments of the City pursuant to a Lease Agreement, dated as of September 1, 2013, by and between the Authority and the City; and

**WHEREAS**, the Indenture established a Reserve Account in the amount of the Reserve Requirement for the purpose of replenishing the Interest Account or the Principal Account (as such terms are defined in the Indenture) relating to the Bonds; and

**WHEREAS**, upon the issuance of the Bonds, the City caused cash to be deposited into the Reserve Account to satisfy the Reserve Requirement; and

**WHEREAS**, the City desires to substitute the cash deposited into the Reserve Account with a Qualified Reserve Account Credit Instrument (as such term is defined in the Indenture) in the form of a surety bond (the "Municipal Bond Debt Service Reserve Insurance Policy") to be provided by Build America Mutual Assurance Company (the "BAM") pursuant to a Debt Service Reserve Agreement (the "Reserve Agreement") by and among the City, BAM and the Trustee.

**NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY RESOLVE, DETERMINE  
AND ORDER AS FOLLOW:**

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

**Section 2.** The City hereby authorizes the substitution of the cash deposited into the Reserve Account with the Municipal Bond Debt Service Reserve Insurance Policy pursuant to the Reserve Agreement, in substantially the form on file with the City Clerk and presented to the City Council at this meeting. Any one of the Mayor, the City Manager, the Assistant City Manager, or their written designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), is hereby authorized and directed, for and in for name and on behalf of the City, to execute and deliver the Reserve Agreement, with such insertions and changes as

may be approved by the Authorized Officer executing the same, with such approval to be conclusively evidenced by the execution and delivery of the Reserve Agreement.

**Section 3.** The Authorized Officers, the City Clerk and the other officers and staff of the City, and consultants to and agents of the City, are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the substitution of the cash deposited into the Reserve Account with the Municipal Bond Debt Service Reserve Insurance Policy pursuant to the Reserve Agreement in accordance with the provisions of this Resolution, and all actions heretofore taken by the officers, staff, and consultants to and agents of the City in connection therewith are hereby ratified, approved and confirmed in every respect.

**Section 4.** This Resolution shall be effective upon its adoption.

**PASSED, APPROVED AND ADOPTED** on this \_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Steve Manos, Mayor

**Attest:**

\_\_\_\_\_  
Mark Mahan  
Deputy City Clerk

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

I, Mark Mahan, Deputy City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2019-\_\_\_\_\_ was adopted by the City Council of the City of Lake Elsinore, California, at the Regular meeting of \_\_\_\_\_, 2019 and that the same was adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Mark Mahan  
Deputy City Clerk