

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY) AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS, SERIES 2019 (IMPROVEMENT AREA HH) IN A PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION DOLLARS (\$7,000,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**Whereas**, on January 24, 2006, the City Council of the City of Lake Elsinore (the "City Council") adopted Resolution No. 2006-08 stating its intention to form City of Lake Elsinore Community Facilities District No. 2006-1 (Summerly) (the "CFD" or "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and,

**Whereas**, after a public hearing, on February 28, 2006, the Council adopted Resolution Nos. 2006-30 and 2006-31 which formed the District and called a special election for February 28, 2006 within the District and Improvement Area Nos. 1 through 3 therein on three propositions relating to the levying of a special tax, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District, which were approved by more than two-thirds vote by the qualified electors on February 28, 2006; and,

**Whereas**, subsequent to the formation of the District, the District received a petition signed by owners of the land within the boundaries of the District to dissolve Improvement Area Nos. 1 through 3 therein and to establish Improvement Areas A through F of the District, to authorize the levy of the special tax in accordance with rates and methods of apportionment of special taxes for Improvement Areas A through F and to authorize the District to incur bonded indebtedness for Improvement Areas A through F; and,

**Whereas**, on January 25, 2011, the City Council, acting as the legislative body of the District, adopted Resolution Nos. 2011-005 and 2011-006, dissolving Improvement Area Nos. 1 through 3 therein, establishing Improvement Areas A through F of the District and declaring the intention to incur bonded indebtedness of the District for Improvement Areas A through F; and,

**Whereas**, after a public hearing, on March 8, 2011, the City Council adopted Resolution Nos. 2011-119 and 2011-120, which called special elections on March 8, 2011 within Improvement Areas A through F of the District on three propositions relating to the levying of a special tax, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District, which were approved by more than two-thirds vote by the qualified electors on March 8, 2011 (collectively, the "2011 Change Proceedings"); and,

**Whereas**, subsequent to the 2011 Change Proceedings, the District received a petition signed by owners of the land within Improvement Areas C through F of the District to dissolve Improvement Areas C through F and to establish Improvement Areas CC, DD, EE, FF, GG, HH and II of the District; and,

**Whereas**, on February 25, 2014, the City Council, acting as the legislative body of the District, adopted Resolution Nos. 2014-010 and 2014-011, dissolving Improvement Areas C through F therein, establishing Improvement Areas CC, DD, EE, FF, GG, HH and II of the District and

declaring the intention to incur bonded indebtedness of the District for Improvement Areas CC, DD, EE, FF, GG, HH and II; and,

**Whereas**, after a public hearing, on April 8, 2014, the City Council adopted Resolution Nos. 2014-016 and 2014-017, which called special elections on April 8, 2014 within Improvement Area HH of the District ("Improvement Area HH") on three propositions relating to the levying of a special tax, the incurring of bonded indebtedness in the amount not to exceed \$9,000,000 for Improvement Area HH, and the establishment of an appropriations limit for the District, which were approved by more than two-thirds vote by the qualified electors on April 8, 2014; and,

**Whereas**, the legislative body of the District desires to issue a first series of bonds for Improvement Area HH at this time under the Act to finance certain facilities which the District is authorized to finance (the "Facilities"); and,

**Whereas**, the District desires to accomplish the financing of certain Facilities through the issuance of bonds in an aggregate principal amount not to exceed \$7,000,000 designated as the "City of Lake Elsinore Community Facilities District No. 2006-1 (Summerly) Special Tax Bonds, Series 2019 (Improvement Area HH)" (the "Bonds"); and,

**Whereas**, in order to affect 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 & Associates, Inc. (the "Appraisal") of property within Improvement Area HH, the value of the real property in Improvement Area HH 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 Improvement Area HH as calculated in the manner set forth in Section 53345.8(a) of the Act; and,

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

**NOW, THEREFORE, THE CITY COUNCIL, ACTING AS THE LEGISLATIVE BODY OF CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SUMMERLY), 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 \$7,000,000, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The City 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 (the "Indenture"), which Indenture shall be substantially in the form on file with

the City Clerk, 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, the City Manager, the 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 City Clerk. 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 City 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 does not exceed 1.7% of the principal amount of the Bonds (exclusive of original issue discount or premium) and only if the true interest cost on the Bonds does not exceed 5.00%. 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 Improvement Area HH 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 Improvement Area HH, all as calculated in the manner provided in Section 53345.8(a) of the Act.

**Section 9.** Each Authorized Officer is authorized to provide for all services necessary to affect 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 10.** The Authorized Officers, the City Clerk 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, in the discretion of any of the Authorized Officers, the execution of a letter of credit or cash depository agreement with one or more of the developers within Improvement Area HH and Wilmington Trust, National Association relating to any security provided by any of such developers with respect to the special taxes to be levied within Improvement Area HH, and providing certificates to the Underwriter as to the accuracy of any information relating to the District and Improvement Area HH which is included within the Official Statement. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy clerk.

**Section 11.** The City Council acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

**Section 12.** This Resolution shall be effective upon its adoption.

**Passed and Adopted** on this 12<sup>th</sup> day of November, 2019.

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Steve Manos, Mayor

**Attest:**

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Candice Alvarez  
City Clerk

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

I, Candice Alvarez, 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 November 12, 2019 and that the same was adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Candice Alvarez  
City Clerk