

RESOLUTION NO. 23-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (BANNER PARK) OF THE CITY OF MENIFEE AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BONDS, SERIES 2023A IN A PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000), AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the “City Council”) of the City of Menifee (the “City”), has heretofore undertaken proceedings to establish Community Facilities District No. 2021-1 (Banner Park) of the City of Menifee (the “District”) and declared the necessity to issue bonds on behalf of the 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. 21-1030 and 21-1031 adopted by the legislative body of the District on June 2, 2021, 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 June 2, 2021; and

WHEREAS, the District has previously issued its \$5,375,000 Special Tax Bonds, Series 2022A (the “2022 Bonds”) to finance certain public facilities which the District was authorized to finance (the “Facilities”); and

WHEREAS, the 2022 Bonds were issued pursuant to a Bond Indenture dated as of November 1, 2022 (the “2022 Indenture”), by and between the District and Wilmington Trust, National Association as trustee (the “Trustee”); and

WHEREAS, the legislative body of the District now desires to finance certain additional Facilities through the issuance of bonds in an aggregate principal amount not to exceed \$7,500,000 designated as the “Community Facilities District No. 2021-1 (Banner Park) of the City of Menifee Special Tax Bonds, Series 2023A” (the “2023 Bonds”); and

WHEREAS, in order to effect the issuance of the 2023 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 the District, the value of the real property in the District subject to the special tax to pay debt service on the 2023 Bonds is more than three times the sum of the principal amount of the 2023 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 (including the 2022 Bonds), all as calculated in the manner set forth in Section 53345.8(a) of the Act; and

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WHEREAS, the City Council has determined in accordance with Section 53360.4 of the Act that a negotiated sale of the 2023 Bonds to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) in accordance with the terms of the Bond Purchase Agreement for the 2023 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; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menifee, California, acting as the legislative body of Community Facilities District No. 2021-1 (Banner Park) of the City of Menifee:

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

Section 2. The issuance of the 2023 Bonds is hereby authorized in an aggregate principal amount not to exceed \$7,500,000, 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 2023 Bonds. The 2023 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 2023 Bonds shall be governed by the terms and conditions of the 2022 Indenture, as supplemented and amended by the First Supplement to Bond Indenture (the “First Supplement” and together with the 2022 Indenture, the “Indenture”), which First Supplement is hereby approved in substantially the form on file with the City Clerk, with such additions thereto and changes therein (including, but not limited to, changes in the amount to be maintained in the Reserve Account (as defined in the Indenture)) as the officer or officers executing the same deem necessary to enhance the security for the 2023 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 2023 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, the Chief Financial Officer or their written designees (each, an “Authorized Officer” and collectively, the “Authorized Officers”), each of whom is authorized to execute the First Supplement. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

Section 3. The 2023 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 2023 Bonds.

Section 4. The covenants set forth in the Indenture 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 2023 Bonds.

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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 2023 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 1.35% of the principal amount of the 2023 Bonds and only if the true interest cost on the 2023 Bonds does not exceed 6.00%. Each of the Authorized Officers is authorized to determine the day on which the 2023 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 2023 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 2023 Bonds and any supplement thereto to the purchasers of the 2023 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 2023 Bonds is more than three times the principal amount of the 2023 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 (including the 2022 Bonds), 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 effect the issuance of the 2023 Bonds. Such services shall include, but not be limited to, printing the 2023 Bonds, obtaining legal services, trustee and paying

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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 2023 Bond proceeds deposited pursuant to the First Supplement.

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 2023 Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the 2023 Bonds as described in the Indenture, including, in the discretion of any of the Authorized Officers, 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 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, APPROVED AND ADOPTED this 2nd day of August, 2023.

Bill Zimmerman, Mayor

Attest:

Stephanie Roseen, Acting City Clerk

Approved as to form:

Jeffrey T. Melching, City Attorney