RESOLUTION NUMBER 2015-36

ADOPTED ON JUNE 3, 2015

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL ACTING AS THE LEGISLATIVE BODY OF CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2004-1 (VICTORIA RANCH) AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX REFUNDING BONDS, SERIES 2015A IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($5,750,000) AND APPROVING A BOND PURCHASE AGREEMENT, AN INDENTURE, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND A PRELIMINARY OFFICIAL STATEMENT AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of Imperial, located in Imperial County, California (the "City Council"), has heretofore undertaken proceedings and declared the necessity of the City of Imperial Community Facilities District No. 2004-1 (Victoria Ranch) (the "District") to issue bonds 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 (the "Act") to finance the acquisition and construction of various public facilities; and

WHEREAS, the District has previously issued its $11,125,000 City of Imperial Community Facilities District No. 2004-1 (Victoria Ranch) 2005 Special Tax Bonds, Series A (the "2005 Bonds") pursuant to the Act, of which $5,930,000 is currently outstanding; and

WHEREAS, in order to benefit taxpayers within the District by lowering the annual special taxes to be levied, the District now desires to defease all of the outstanding 2005 Bonds through the issuance of its Special Tax Refunding Bonds, Series 2015A (the "Refunding Bonds") in an aggregate principal amount of not to exceed $5,750,000 and the application of certain existing District funds to such defeasance; and

WHEREAS, the Refunding Bonds shall be issued in accordance with the Bond Indenture, dated as of June 1, 2015 (the "Indenture"), by and between the District and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and

WHEREAS, in order to effect the issuance of the Refunding Bonds, the City Council, acting in its capacity as the legislative body of the District, desires to approve the form of a Preliminary Official Statement for the Refunding Bonds (the "Preliminary Official Statement") and to approve the forms of and authorize the execution and delivery of the Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and an Escrow Agreement, in substantially the forms on file with the City Clerk and to authorize such changes and additions thereto as the Authorized Officers (defined herein) deem necessary or desirable; and

WHEREAS, the City Council, acting in its capacity as the legislative body of the District, has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the Refunding Bonds to Stifel, Nicolaus & Company, Incorporated, as Underwriter (the "Underwriter"), in accordance with the terms of the Bond Purchase Agreement to be entered into by and between the District and the Underwriter (the "Bond Purchase Agreement") will result in a lower overall cost to the District than a sale of the Refunding Bonds on sealed proposals to the highest bidder as described in Government Code Section 53360, in that a negotiated sale will allow for adequate time to pre-market the Refunding Bonds and for the timing of the sale of the Refunding Bonds to be flexible, thereby maximizing the likely debt service savings to the District; and

WHEREAS, the City Council, acting in its capacity as the legislative body of the District, has determined that it is prudent in the management of its fiscal affairs to issue the Refunding Bonds; and

WHEREAS, the aggregate assessed value of the real property in the District subject to the special tax to pay debt service on the Refunding Bonds based on the full cash value of the property within the District as shown on the most recent *ad valorem* assessment roll for property within the District having a lien date as of January 1, 2014 is more than three times the principal amount of the Refunding 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, which assessed value exceeds the minimum value required by the Act for the issuance of the Refunding Bonds; and

WHEREAS, the City Council, acting in its capacity as the legislative body of the District, finds that the issuance of the Refunding Bonds will achieve debt service savings and will benefit taxpayers within the District; and

NOW, THEREFORE, the City Council of the City of Imperial, acting as the legislative body of City of Imperial Community Facilities District No. 2004-1 (Victoria Ranch), DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct and is adopted by the City Council, acting in its capacity as the legislative body of the District.

SECTION 2. The City Council, acting in its capacity as the legislative body of the District, finds that the issuance of the Refunding Bonds as described in the Preliminary Official Statement will provide significant public benefits by reducing the total amount of special taxes to be levied for debt service within the District.

SECTION 3. The City Council, acting in its capacity as the legislative body of the District, has determined to defease the 2005 Bonds, subject to the provisions of Section 5 below regarding debt service savings, through the issuance of its Refunding Bonds pursuant to the Indenture and a Bond Purchase Agreement and the application of certain existing District funds to such defeasance.

SECTION 4. The District is authorized pursuant to Section 53362 *et seq.* of the Act to issue the Refunding Bonds for the purpose of refunding the 2005 Bonds.

SECTION 5. The issuance of the Refunding Bonds in an aggregate principal amount of not to exceed $5,750,000 is hereby authorized, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 6 below. The Refunding Bonds may be issued to refund the 2005 Bonds only if the City Manager, or his designee, determines that there is an economic benefit to the District in the form of aggregate net present value savings of at least 3%, expressed as a percentage of the par amount of the 2005 Bonds to be refunded by the Refunding Bonds. Each of the foregoing determinations to be made by the City Manager, or his designee, will be conclusively evidenced by the execution of the Bond Purchase Agreement by the District and the Underwriter.

The City Council, acting in its capacity as the legislative body of the District, hereby determines that it is prudent in the management of its fiscal affairs to issue the Refunding Bonds. The Refunding Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement. The Refunding Bonds shall be governed by the terms and conditions of the Indenture. The form of the Indenture presented at this meeting is hereby approved. The Indenture shall be executed by any one of the Mayor, City Manager, Treasurer or Finance Director of the City or the written designee of one of the foregoing (collectively, the "Authorized Officers") substantially in the form of the Indenture presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, including to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices, reserve account deposits and such other related terms and provisions as limited by Section 8 hereof, or to conform any provisions therein to the Bond Purchase Agreement and the Official Statement delivered to the purchasers of the Refunding Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by any one of the Authorized Officers. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

In satisfaction of the requirements contained in Section 53363.2 of the Act, the City Council, acting in its capacity as the legislative body of the District, hereby determines that: (1) it is anticipated that the Refunding Bonds will be issued prior to September 1, 2015, with the 2005 Bonds maturing after September 1, 2015 being redeemed on September 1, 2015; (2) the Refunding Bonds shall be dated their date of issuance, be in the denominations, have the maturity dates (which do not exceed the latest maturity date of the 2005 Bonds being refunded), and be payable at the place and be in the form specified in the Indenture; (3) the Refunding Bonds will bear interest at the minimum rate of 0.25% per annum; and (4) the designated cost of issuing the Refunding Bonds, as defined by Section 53363.8 of the Act, shall include all of the costs specified in Section 53363.8(a), (b)(2) and (c).

In satisfaction of the requirements contained in Section 53364.2 of the Act, the City Council, acting in its capacity as the legislative body of the District, hereby determines that any savings achieved through the issuance of the Refunding Bonds shall be used to reduce the special taxes of the District levied for debt service, and such reductions shall be made in accordance with the Act.

SECTION 6. The Refunding Bonds shall be executed on behalf of the District by the manual or facsimile signature of the President of the legislative body of the District and the

seal of the District or the City, or a facsimile thereof, may be impressed or imprinted thereon and the signature of the Mayor shall be attested to with the manual or facsimile signature of the City Clerk or Deputy City Clerk.

SECTION 7. The covenants set forth in the Indenture are hereby approved, including that the District shall not issue any obligations or security in the future having a lien or charge upon the special taxes levied on property within the District pursuant to the Act except as set forth in the Indenture. Such covenants shall be deemed to be covenants of the legislative body of the District, and shall be complied with by the District and its officers. The City Council, acting as the legislative body of the District, hereby makes and adopts the findings and determinations in Section 5.2(g) of the Indenture regarding the reduction of the maximum special tax rates.

SECTION 8. The Underwriter is hereby appointed for purposes of offering the Refunding Bonds for sale in accordance with the provisions of the Bond Purchase Agreement and the Indenture. The form of the Bond Purchase Agreement presented at this meeting is hereby approved, and any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement substantially in the form presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, including to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Refunding Bonds. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if the requirements of Section 5 hereof have been satisfied.

SECTION 9. The form of the Continuing Disclosure Agreement presented at this meeting is hereby approved, and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Agreement substantially in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

SECTION 10. The proposed form of the Escrow Agreement (the "Escrow Agreement"), by and between the District and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), presented at this meeting, is hereby approved, and any one of the Authorized Officers is hereby authorized and directed to execute the Escrow Agreement substantially in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement.

SECTION 11. The form and content of the Preliminary Official Statement substantially in the form presented to and considered at this meeting is hereby approved, with such additions thereto and changes therein as are determined to be necessary or desirable by any one of the Authorized Officers, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading, such approval to be conclusively evidenced by the delivery of the Preliminary Official Statement to the Underwriter. The Authorized Officers are, and each of them acting

alone is, hereby authorized to certify to the Underwriter on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of certain information as permitted therein). The distribution by the Underwriter of copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Refunding Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized and directed to deliver to the Underwriter a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary or desirable by the Authorized Officer executing the Official Statement to make such Official Statement complete and accurate as of its date, such approval to be conclusively evidenced by the delivery of the Official Statement to the Underwriter.

SECTION 12. In accordance with the requirements of Section 53345.8 of the Act and the policies of the City, the City Council, acting in its capacity as 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 Refunding Bonds is at least three times the sum of the principal amount of the Refunding Bonds plus 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. This determination is based exclusively on the full cash value of property within the District as shown on the *ad valorem* assessment roll for property within the District provided by the County of Imperial and having a lien date as of January 1, 2014.

SECTION 13. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance, sale and delivery of the Refunding Bonds. Such services shall include, but not be limited to, obtaining legal services, trustee services, verification agent services, consultant services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other Costs of Issuance (as defined in the Indenture and as otherwise agreed to in writing by an Authorized Officer) from the sale and delivery of Refunding Bond proceeds. The Authorized Officers are hereby authorized and directed to pay all the fees and other costs of issuance of the Refunding Bonds in accordance with the Bond Purchase Agreement and as otherwise agreed to by the District and the respective parties thereto, including applicable CDIAC fees, verification agent fees and printer fees.

SECTION 14. All actions heretofore taken by any Authorized Officers, or by any officers, employees or agents of the City, with respect to: (1) the issuance, delivery or sale of the Refunding Bonds; (2) the refunding, defeasance and redemption of the 2005 Bonds; and (3) the Indenture, Bond Purchase Agreement, Escrow Agreement, Continuing Disclosure Agreement or any of the documents referenced therein, are hereby approved, confirmed and ratified. The Authorized Officers or the designees thereof and the other officers responsible for the fiscal affairs of the District are hereby jointly and severally authorized and directed to do all things and take any and all actions and execute and deliver any and all documents as are necessary or desirable to accomplish the issuance, sale and delivery of the Refunding Bonds in accordance with the provisions of this Resolution and as are necessary or appropriate for the fulfillment of the purposes of the Refunding Bonds as described in the Indenture. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed Deputy City Clerk.

SECTION 15. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 3rd day of June, 2015.

_____
Mark Gran, Mayor

ATTEST: _____
Debra Jackson, City Clerk