

RESOLUTION NO. 2024-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, AUTHORIZING SPECIAL TAX REFUNDING BONDS ISSUANCE AND SALE AND APPROVING RELATED DOCUMENTS AND ACTIONS

City of Fullerton  
Community Facilities District No. 2  
(Amerige Heights)

THE CITY COUNCIL OF THE CITY OF FULLERTON, STATE OF CALIFORNIA, RESOLVES FOLLOWS:

1. Authority; District Formation. The City Council (the "City Council") of the City of Fullerton (the "City") completed proceedings under the Mello-Roos Community Facilities Act of 1982, as amended, California Government Code Title 5 (commencing with Section 53311), Division 2, Part 1, Chapter 2.5 (the "Act"), to form the "City of Fullerton Community Facilities District No. 2 (Amerige Heights)" (the "CFD") in December 2011. City Council adopted an ordinance levying special taxes upon the land within the CFD in January 2012. The City completed change proceedings to allow the CFD to finance school facilities owned and operated by the Fullerton School District in February 2013. The City is authorized to issue bonds secured by those special taxes in order to finance or refinance certain public improvements (the "Facilities") under these proceedings, all as described in those proceedings.
2. Prior Bonds. The City, on behalf of the CFD, issued its special tax bonds under the act in May 2014 captioned "City of Fullerton Community Facilities District No. 2 (Amerige Heights) 2014 Special Tax Bonds" (the "Prior Bonds") in the initial principal amount of \$7,570,000, under a Fiscal Agent Agreement dated May 1, 2014 between the City and U.S. Bank National Association, as fiscal agent (the "Prior Bonds Fiscal Agent"). The outstanding Prior Bonds are subject to redemption on September 1, 2023 and on any date thereafter, in whole or in part, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.
3. Refinancing Plan. City Council now wishes to refinance the outstanding principal amount of the Prior Bonds in order to realize debt service savings based on current market conditions, by issuing the special tax refunding bonds described herein. City Council received certain documents described in this resolution providing for Bond issuance and sale and use of net Bond proceeds to refund and defease the Prior Bonds. City Council,

with the aid of staff, has reviewed the documents and found them in proper order.

4. Bonds Authorized. The City authorizes the issuance of bonds designated the “City of Fullerton Community Facilities District No. 2 (Amerige Heights) 2024 Special Tax Refunding Bonds” (the “Bonds”) pursuant to the Act, this Resolution and the Fiscal Agent Agreement (as defined in this Resolution). The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form, shall be subject to redemption and shall otherwise be issued on the terms and conditions, all as set forth in the Fiscal Agent Agreement defined in this Resolution and in accordance with this Resolution, provided, that (i) the principal amount of the Bonds may not exceed \$7,000,000, (ii) the true interest cost of the Bonds may not exceed 4.75% and (iii) the Underwriter’s discount (excluding original issue discount) may not exceed 1.20% of the original principal amount of the Bonds. City Council authorizes and directs the Fiscal Agent (as defined in this Resolution), an Authorized Officer (as defined in this Resolution) and other responsible officers of the City to take such actions required to cause the delivery of the Bonds upon receipt of the purchase price thereof.
5. Authorities Granted. City Council authorizes and directs the Mayor, City Manager, Director of Administrative Services or such other official of the City as designated by such officer pursuant to this Resolution (each, an “Authorized Officer”) to execute and deliver the documents approved herein in substantially the form on file with the City Clerk, together with such additions or changes as approved by such Authorized Officer, including such additions or changes as necessary or advisable to permit the timely issuance, sale and delivery of the Bonds. The execution and delivery by an Authorized Officer of the documents herein specified shall conclusively evidence The approval of such additions or changes.
6. Findings and Determinations.
  - (a) The City hereby finds that all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the levy of the special taxes as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.
  - (b) The City finds and determines that it would be prudent in the management of its fiscal affairs to issue the Bonds to refund the Prior Bonds.

- (c) The City hereby finds that the Bonds constitute “refunding bonds” within the meaning of the Act because the City will use the net proceeds thereof to refund the Prior Bonds and hereby determines that the total net interest cost to maturity on the Bonds, plus the principal amount of the Bonds, equals less than the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Prior Bonds.
  - (d) The City has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, (the “Underwriter”) in accordance with the terms of the Bond Purchase Agreement approved as to form by this legislative body herein will result in a lower overall cost to the City than a public sale
  - (e) The City has obtained and disclosed the information set forth in Exhibit A in accordance with Government Code Section 5852.1.
7. Fiscal Agent Agreement. City Council hereby approves the form of the Fiscal Agent Agreement by and between the City, for and on behalf of the CFD and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent Agreement”) in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an authorized Officer upon consultation with counsel. The terms and provisions of the Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. City Council authorizes and directs any Authorized Officer to execute the Fiscal Agent Agreement on behalf of the City.
8. Negotiated Sale of Bonds; Bond Purchase Agreement. City Council hereby approves the negotiated sale of the Bonds to the Underwriter. City Council hereby approves the Bond Purchase Agreement (the “Purchase Agreement”) between the City, for and on behalf of the CFD and the Underwriter, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer upon consultation with counsel. City Council authorizes and directs any Authorized Officer to execute the Purchase Agreement on behalf of the City.
9. Official Statement. City Council hereby approves the Preliminary Official Statement describing the Bonds in substantially the form on file with the City Clerk, with such additions and changes therein as an Authorized Officer may approve. City Council approves distribution of the Preliminary Official Statement by the Underwriter and authorizes and directs, prior to the distribution of the Preliminary Official Statement, each Authorized Officer, on behalf of the City, to deem the Preliminary Official Statement “final”

pursuant to the Securities Exchange Act of 1934 (the "Rule"). City Council approves the execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Authorized Officer upon consultation with counsel, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule for delivery to the purchasers of the Bonds. City Council authorizes and directs each Authorized Officer to execute the final Official Statement for and on behalf of the City and to deliver to the Underwriter for the Bonds a certificate with respect to the information set forth therein.

10. Continuing Disclosure Certificate. City Council hereby approves the form of the Continuing Disclosure Certificate attached to the Preliminary Official Statement on file with the City Clerk. City Council authorizes and directs each Authorized Officer for and in the name of and on behalf of the City, to execute, acknowledge and deliver said Continuing Disclosure Certificate in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer upon consultation with counsel.
11. Escrow Agreement. City Council hereby approves the Escrow Agreement (the "Escrow Agreement") by and between the City, for and on behalf of the CFD and U.S. Bank Trust Company, National Association, as escrow agent and Prior Bonds Fiscal Agent, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer upon consultation with counsel. City Council authorizes and directs any Authorized Officer to execute the Escrow Agreement on behalf of the City.
12. Property Valuation. In accordance with the requirements of Section 53345.8 of the Act, City Council hereby determines that the value of the real property in the CFD subject to the special tax is at least 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 the CFD. This determination is based on the assessed value of the real property in the CFD established by the County assessor.
13. Appointment of Professionals. City Council confirms appointment of the following professionals: Jones Hall, A Professional Law Corporation as bond counsel and disclosure counsel; Urban Futures, Inc., as municipal advisor and U.S. Bank Trust Company, National Association, as fiscal agent.
14. Actions Authorized. City Council authorizes and directs the Authorized Officers and the appropriate officers of the City to do any and all things and take any and all actions and execute any and all certificates, agreements,

instructions and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the refunding of the Prior Bonds in accordance with this Resolution, including but not limited to any actions related to a request for a municipal bond rating for the Bonds, any actions relating to an application for municipal bond insurance or a reserve fund insurance policy with respect to the Bonds and any certificate, agreement and other document described in the documents herein approved. City Council approves, confirms and ratifies all actions previously taken by the Authorized Officers and other officers and agents of the City with respect to establishment of the CFD, the sale and issuance of the Bonds and the refunding of the Prior Bonds. All actions to be taken by an Authorized Officer may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

15. Effectiveness. This Resolution shall take effect from and after its adoption. City Council repeals provisions of any previous resolutions in any way inconsistent with the provisions hereof in and for the issuance of the Bonds as herein described.

ADOPTED BY THE FULLERTON CITY COUNCIL ON JULY 16, 2024.

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Nicholas Dunlap  
Mayor

ATTEST:

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Lucinda Williams, MMC  
City Clerk

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Date

Attachments:

- Attachment 1 – Exhibit A

## **EXHIBIT A**

### **GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by the Underwriter and Municipal Advisor, which each has provided to the City in good faith:

- (A) True interest cost of the Bonds: 4.42%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties): \$358,032
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$7,062,812
- (D) Total payment amount through maturity: \$10,048,230