

## RESOLUTION NO. SA 2020-XX

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA AUTHORIZING THE ISSUANCE AND SALE OF 2020 TAX ALLOCATION REFUNDING BONDS AND APPROVING THE FORM OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, AN ESCROW AGREEMENT (2005 AND 2010 BONDS), A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE AND A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Fullerton Redevelopment Agency (Former Agency) was a public body, corporate and politic, that was duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California), and the powers of the Former Agency included the power to issue bonds for any of its corporate purposes.

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the "Merged Fullerton Redevelopment Project," which merged five previously existing redevelopment project areas, was adopted and approved by Ordinance No. 3082 of the City of Fullerton on December 19, 2006, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with.

WHEREAS, the Former Agency previously caused the City of Fullerton Public Financing Authority (Authority) to issue its 2005 Tax Allocation Revenue Bonds (2005 Bonds) in the original aggregate principal amount of \$74,600,000, and to loan the proceeds thereof to the Former Agency pursuant to three loan agreements between the Authority and the Former Agency (2005 Loan Agreements).

WHEREAS, the Former Agency previously issued its 2010 Taxable Tax Allocation Housing Bonds (2010 Bonds) in the original aggregate principal amount of \$28,980,000.

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (Dissolution Act) and ABx1 27 (Opt-in Bill).

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill, resulting in the dissolution of the Former Agency as of February 1, 2012.

WHEREAS, the Former Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Fullerton Redevelopment Agency (Successor Agency).

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the State of California Fiscal Year 2012-13 budget.

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Former Agency in order to provide savings to the Successor Agency, provided that: (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded; and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance.

WHEREAS, the Successor Agency previously issued its Merged Fullerton Redevelopment Project Area 2015 Tax Allocation Refunding Bonds (2015 Bonds) to refund prior debt obligations of the Former Agency, pursuant to an Indenture of Trust, dated as of February 1, 2015 (2015 Indenture), by and between the Successor Agency and U.S. Bank National Association, as trustee.

WHEREAS, the Successor Agency has been advised by its municipal advisor, Urban Futures, Inc. (UFI), that, given current market conditions, the Successor Agency is likely to achieve debt service savings through the issuance of tax allocation refunding bonds (2020 Bonds), which shall be publicly sold or privately placed as determined by the Authorized Officers (as such term is defined in Section 1), in order to prepay all or portions of the 2005 Loan Agreements and to refund the 2010 Bonds.

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time the 2020 Bonds in an aggregate principal amount that is sufficient to prepay all or portions of the 2005 Loan Agreements and to refund all or a portion of the 2010 Bonds, and to irrevocably set aside a portion of the proceeds of such 2020 Bonds in a separate segregated trust fund which will be used to prepay the 2005 Loan Agreements, and refund the 2010 Bonds being refunded, to pay costs in connection with the issuance of the 2020 Bonds and to make certain other deposits as required by the First Supplemental Indenture (as defined below).

WHEREAS, the 2020 Bonds shall be issued pursuant to a First Supplemental Indenture of Trust (First Supplemental Indenture), by and between the Successor Agency and U.S. Bank National Association, as trustee, which shall amend and supplement the 2015 Indenture (such First Supplemental Indenture, together with the 2015 Indenture, the Indenture).

WHEREAS, the 2020 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

WHEREAS, Section 34179(j) of the Health and Safety Code provides for the appointment of a countywide oversight board (Oversight Board) with specific duties to approve certain Successor Agency actions pursuant to Section 34180 of the Health and

Safety Code and to direct the Successor Agency in certain other actions pursuant to Section 34181 of the Health and Safety Code.

WHEREAS, in compliance with California Government Code Section 5852.1, the Board has obtained from UFI required good faith estimates, and such estimates are disclosed and set forth in Exhibit A attached hereto.

WHEREAS, the Successor Agency wishes at this time to approve matters and documents relating to the issuance and sale of the 2020 Bonds, the prepayment of the 2005 Loan Agreements, and the refunding of the 2010 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Subject to the provisions of the Indenture referred to in Section 2: (i) the issuance of the 2020 Bonds in an aggregate principal amount that is sufficient: (A) to prepay and defease all or portions of the 2005 Loan Agreements; and (B) to redeem and defease all or portions of the 2010 Bonds, for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1); and (ii) the pledge of property tax revenues to the 2020 Bonds pursuant to the Indenture (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2020 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption and will be as otherwise provided in the First Supplemental Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2020 Bonds shall be applied as provided in the First Supplemental Indenture. The 2020 Bonds may be issued as a single issue, or from time to time in separate series, on a taxable or tax-exempt basis, as the Successor Agency shall determine.

The 2020 Bonds may be sold by competitive public sale, negotiated public sale or private sale, as determined by the Successor Agency to be in the best interests of the Successor Agency and affected taxing agencies at the time of sale; provided that if the 2020 Bonds are sold through a public sale, the Preliminary Official Statement for the 2020 Bonds will be substantially in the form submitted at this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions authorized to be made to the Preliminary Official Statement for the 2020 Bonds pursuant to Section 6. The approval of the issuance of the 2020 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2020 Bonds from time to time, without the need for any further approval from the Successor Agency or the Oversight Board.

Section 2. The First Supplemental Indenture, in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Chair of the Successor Agency, the Executive Director of the Successor Agency, or their respective written designees (Authorized Officers), are (and each of them is) hereby authorized and directed to execute and deliver the First Supplemental

Indenture in the form presented at this meeting with such changes, insertions and omissions, including changes to reflect the tax status of the 2020 Bonds upon the sale thereof, as may be requested by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel (Bond Counsel), and approved by an Authorized Officer, said execution being conclusive evidence of such approval.

Section 3. The Escrow Agreement (2005 and 2010 Bonds), in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein (Escrow Agreement), is hereby approved. The Authorized Officers are (and each of them is) hereby authorized and directed to execute and deliver the Escrow Agreement in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by an Authorized Officer, said execution being conclusive evidence of such approval.

Section 4. The Bond Purchase Agreement, in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein (Bond Purchase Agreement), is hereby approved. The Authorized Officers are (and each of them is) hereby authorized and directed to execute and deliver the Bond Purchase Agreement in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by an Authorized Officer, said execution being conclusive evidence of such approval.

Section 5. The Continuing Disclosure Certificate, in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein (Continuing Disclosure Certificate), is hereby approved. The Authorized Officers are (and each of them is) hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by an Authorized Officer, said execution being conclusive evidence of such approval.

Section 6. The Preliminary Official Statement relating to the 2020 Bonds (Preliminary Official Statement), in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are (and each of them is) authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, relating to the Preliminary Official Statement, and each of the Authorized Officers are (and each of them is) further authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement, and is further authorized to make such changes, insertions and omissions to the form of the Preliminary Official Statement and final Official Statement as may be recommended by the Successor Agency's General Counsel, Bond Counsel, or Jones Hall, A Professional Law Corporation, the Successor Agency's Disclosure Counsel (Disclosure Counsel) and approved by the officer executing the same, said execution being conclusive evidence of such approval. In the event of a public sale of the 2020 Bonds, Stifel, Nicolaus & Company, Incorporated, serving as Underwriter, is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the 2020 Bonds and is

directed to deliver copies of any final Official Statement to all actual purchasers of the 2020 Bonds.

Section 7. The Authorized Officers are (and each of them is) authorized to enter into such amendments or addenda to the engagement letters with UFI, as municipal advisor, Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel, and Jones Hall, A Professional Law Corporation, as Disclosure Counsel, as are necessary to reflect the refunding of the 2010 Bonds and the other matters approved herein.

Section 8. The Authorized Officers, the Secretary and any other proper officer of the Successor Agency, acting singly, be and each of them hereby is authorized and directed to prepare, execute and deliver any and all further documents and instruments relating to the issuance of the 2020 Bonds and the refunding and defeasance of the 2005 Bonds and the 2010 Bonds, including, if applicable, a placement agent agreement with a placement agent, a rate lock agreement and/or a private placement memorandum in the event of a private placement of the 2020 Bonds, redemption or escrow instructions relating to the 2005 Bonds and the 2010 Bonds, amendments to the indentures pursuant to which the 2005 Bonds and the 2010 Bonds were issued, agreements relating to bond insurance and/or a debt service reserve surety policy for the 2020 Bonds, a notice of sale in connection with a competitive public sale of the 2020 Bonds and requests for subordination of pass-through payments to affected taxing entities and related subordination agreements, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, and any actions that were previously taken in connection with such matters are hereby ratified.

Section 9. This Resolution shall take effect upon adoption.

Section 10. The Secretary shall certify to the adoption of this Resolution.

ADOPTED BY THE FULLERTON SUCCESSOR AGENCY ON JULY 7, 2020.

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Jennifer Fitzgerald  
Agency Chair

ATTEST:

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Lucinda Williams, MMC  
Secretary

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Date

## **EXHIBIT A**

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

The good faith estimates set forth herein are provided with respect to the 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Urban Futures, Inc., the Successor Agency's municipal advisor (Municipal Advisor) in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the 2020 Bonds.

Principal Amount. The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of total gross proceeds of the 2020 Bonds is \$49,865,302, which includes the estimated principal amount of the 2020 Bonds of \$44,945,000 (Estimated Principal Amount), plus approximately \$4,920,302 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds.

True Interest Cost. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Bonds, is 1.49%.

Finance Charge of the 2020 Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is \$751,216.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the 2020 Bonds, less the finance charge of the 2020 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is \$49,114,086.

Total Payment Amount. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the 2020 Bonds, plus

the finance charge for the 2020 Bonds, as described above, not paid with the proceeds of the 2020 Bonds, calculated to the final maturity of the 2020 Bonds, is \$52,794,148.

The foregoing constitute good faith estimates only. The principal amount of the 2020 Bonds, the true interest cost of the 2020 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the 2020 Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of 2020 Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the 2020 Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the 2020 Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Successor Agency's financing plan, or a combination of such factors.

The actual date of sale of the 2020 Bonds and the actual principal amount of 2020 Bonds sold will be determined by the Successor Agency based on a variety of factors. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.