

RESOLUTION NO. ____

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

CITY OF FULLERTON
Community Facilities District No. 1
(Amerige Heights)

THE CITY COUNCIL OF THE CITY OF FULLERTON, STATE OF CALIFORNIA, HEREBY
RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. Authority; District Formation. In 2002 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, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Act"), to form the "City of Fullerton Community Facilities District No. 1" (the "CFD"), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by those special taxes, the proceeds of which were authorized to be used to finance or refinance certain public improvements, all as described in those proceedings.

2. Prior Bonds. Under the Act, in 2002 the City, on behalf of the CFD, issued its special tax bonds captioned "City of Fullerton Community Facilities District No. 1 (Amerige Heights) Special Tax Bonds, Series 2002" (the "2002 Bonds") in the initial principal amount of \$21,375,000, and in 2012, in order to refund the 2002 Bonds in full, the City, on behalf of the CFD, issued its special tax refunding bonds captioned "City of Fullerton Community Facilities District No. 1 (Amerige Heights) 2012 Special Tax Refunding Bonds" in the aggregate original principal amount of \$19,040,000 (the "Prior Bonds") under a Fiscal Agent Agreement between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent").

3. Refinancing Plan. In order to realize debt service savings based on current market conditions, the City Council now wishes to refinance the outstanding principal amount of the Prior Bonds through the issuance of the special tax refunding bonds described herein, and there have been submitted to the City Council certain documents described below providing for the issuance and sale of the Bonds and the use of the net proceeds of the Bonds to refund and defease the Prior Bonds, and the City Council with the aid of its staff, has reviewed the documents and found them to be in proper order.

4. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement (as defined below), the City hereby authorizes the issuance of bonds designated the "City of Fullerton Community Facilities District No. 1 (Amerige Heights) 2021 Special Tax Refunding Bonds" (the "Bonds"). 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 below and in accordance with this Resolution; provided, however, that (i) the principal amount of the Bonds may not exceed \$13,000,000, and (ii) the interest rate on the Bonds may not exceed 1.77% per annum. The Fiscal Agent (as defined below) an Authorized Officer (as defined below) and other responsible officers of the City are hereby authorized and directed to take such actions as are required to cause the delivery of the Bonds upon receipt of the purchase price thereof.

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. The City hereby determines that the total net interest cost to maturity on the Bonds, plus the principal amount of the Bonds, is less than the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Prior Bonds. The City further finds and determines that it would be prudent in the management of its fiscal affairs to issue the Bonds to refund the Prior Bonds. The Bonds will be issued initially on a federally taxable basis, subject to conversion to federally tax-exempt status in accordance with the Fiscal Agent Agreement.

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.

In accordance with Government Code Section 5852.1, the City has obtained and disclosed the information set forth in Exhibit A hereto.

5. Authorities Granted. The Mayor, City Manager, Director of Administrative Services, or such other official of the City as may be designated by such officer pursuant to this Resolution (each, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the documents approved herein in substantially the form on file with the Clerk, together with such additions or changes as are approved by such Authorized Officer, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Bonds. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the documents herein specified.

6. Fiscal Agent Agreement. The 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 National Association, as fiscal agent (the “Fiscal Agent Agreement”) in substantially the form on file with the 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. Any Authorized Officer is hereby authorized and directed to execute the Fiscal Agent Agreement on behalf of the City and the Clerk is hereby authorized and directed to attest thereto.

7. Sale of Bonds Through Private Placement; Placement Agent Agreement. The City Council hereby approves the sale of the Bonds to Sterling National Bank, and/or its successor by merger (the “Lender”), in a private placement. Each Authorized Officer is hereby authorized to execute a term sheet, continuing covenant agreement, or other document or agreement with the Lender, upon consultation with Bond Counsel, evidencing the terms of the sale of the Bonds, provided that the principal amount of and annual interest rate on the Bonds do not exceed the maximums set forth in Section 4 above. The City Council hereby approves the Placement Agent Agreement (the “Placement Agent Agreement”) between the City, for and on behalf of the CFD, and Stifel, Nicolaus & Company, Incorporated, in substantially the form on file with the Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer upon consultation with counsel. Any Authorized Officer is hereby authorized and directed to execute the Placement Agent Agreement on behalf of the City.

8. Escrow Agreement. The 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 National Association, as fiscal agent for the Prior Bonds, in substantially the form on file with the 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 Escrow Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. Any Authorized Officer is hereby authorized and directed to execute the Escrow Agreement on behalf of the City and the Clerk is hereby authorized and directed to attest thereto.

9. Appointment of Professionals. The appointment of the following professionals is hereby confirmed: Jones Hall, A Professional Law Corporation as bond counsel; Urban Futures, Inc., as municipal advisor; Stifel, Nicolaus & Company, Incorporated, as placement agent; and U.S. Bank National Association, as fiscal agent.

10. Actions Authorized. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the CFD, the sale and issuance of the Bonds and the refunding of the Prior Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed 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 required in connection with the conversion of the Bonds to federally tax-exempt status, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

11. Effectiveness. This Resolution shall take effect from and after its adoption. The provisions of any previous resolutions in any way inconsistent with the provisions hereof in and for the issuance of the Bonds as herein described are hereby repealed.

ADOPTED BY THE FULLERTON CITY COUNCIL on _____, 2021.

Bruce Whitaker
Mayor

ATTEST:

Lucinda Williams, MMC
City Clerk

Date: _____

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

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

- (A) True interest cost of the Bonds: 1.37%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties): \$149,542.33
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$12,277,658.20
- (D) Total payment amount through maturity: \$13,610,109.75