

RESOLUTION NO. 2018-1573

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, ACTING FOR ITS COMMUNITY FACILITIES DISTRICT NO. 98-1, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,100,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF CALABASAS COMMUNITY FACILITIES DISTRICT NO. 98-1 SPECIAL TAX REFUNDING BONDS, SERIES 2018, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE, A PLACEMENT AGENT AGREEMENT, AND A REFUNDING ESCROW AGREEMENT AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City Council (the "City Council") of the City of Calabasas (the "City") conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act") to form the City of Calabasas Community Facilities District No. 98-1 (the "District"), to authorize the levy of a special tax (the "Special Tax") within the District and to authorize bonds secured by the Special Tax;

WHEREAS, the City Council, by and through the District, issued its Special Tax Refunding Bonds, Series 1999, on or about February 18, 1999 in the original principal amount of \$12,515,000, of which \$4,075,000 aggregate principal amount remains outstanding (the "Prior Bonds"), the proceeds of which were used to refinance facilities located in and previously financed by Community Facilities District No. 4 of the County of Los Angeles Improvement Area A Special Tax Bonds Series 1992A;

WHEREAS, in order to refinance the Prior Bonds, the City Council desires to authorize the issuance, by and through the District, of City of Calabasas Community Facilities District No. 98-1 Special Tax Refunding Bonds, Series 2018 (the "Bonds"), in an aggregate principal amount of not to exceed \$4,100,000;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the District proposes to enter into an Indenture with U.S. Bank National Association, as trustee (the "Trustee") (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Indenture");

WHEREAS, Hilltop Securities Inc. (“Hilltop Securities”), has presented the District with a proposal, in the form of a Placement Agent Agreement, to privately place the Bonds on behalf of the District (such Placement Agent Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Placement Agent Agreement”);

WHEREAS, there has been presented to this meeting a report, prepared by NBS, that sets forth the assessed values of the property within the District and the value-to-lien information with respect thereto (the “Value-to-Lien Report”);

WHEREAS, in order to provide for the defeasance and redemption of the Prior Bonds, the District proposes to enter into a Refunding Escrow Agreement with the Trustee as Escrow Agent (such Refunding Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Refunding Escrow Agreement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Placement Agent Agreement; and
- (c) the Refunding Escrow Agreement; and

WHEREAS, the District desires to proceed to issue and sell the Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Bonds;

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the City Council obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with SB 450, the City Council has obtained from Public Resources Advisory Group, as the District’s municipal advisor (the

"Municipal Advisor") and Hilltop Securities, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Calabasas, acting for the City's Community Facilities District No. 98-1, as follows:

Section 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

Section 2. Subject to the provisions of Section 3 hereof, the issuance of the Bonds, in an aggregate principal amount of not to exceed \$4,100,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, be and the same is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 3. The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Mayor of the City, and such other members of the City Council as the Mayor may designate, the Mayor Pro Tem of the City, the City Manager, the Chief Financial Officer of the City, and the City Clerk (the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Bonds in excess of \$4,100,000, shall not result in a final maturity date of the Bonds later than September 1, 2028, and shall not result in a true interest cost for the Bonds in excess of 3.00%. The Authorized Officers are, and each of them is, hereby authorized to determine to issue the Bonds as bank qualified bonds under Section 265(b) of the Internal Revenue Code. The Authorized Officers are, and each of them is, hereby authorized to determine the application of amounts on deposit in or to the credit of the Reserve Fund and the Special Fund for the Prior Bonds including to the redemption price of the Prior Bonds and any refund to owner(s) of real property in the District, such refunded amount not to exceed \$540,000.

Section 4. The refunding of the Prior Bonds is hereby approved. Such refunding shall be accomplished by redeeming the Prior Bonds on March 1, 2018 by paying the redemption price therefor. In accordance with Section 53363.8 of the Act, the City Council hereby designates the following costs and expenses as the "designated costs of issuing the refunding bonds:"

- 1) all expenses incident to the calling, retiring, or paying of the Prior Bonds and incident to the issuance of the Bonds, including the charges of any agent in connection with the issuance of the Bonds or in connection with the redemption or retirement of the Prior Bonds;
- 2) the interest upon the Prior Bonds from the date of sale of the Bonds to the date upon which the Prior Bonds will be paid pursuant to call; and
- 3) any premium necessary in the calling or retiring of the Prior Bonds.

Section 5. The Refunding Escrow Agreement, in substantially the form submitted to 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, hereby authorized and directed, for and in the name of the District, to execute and deliver the Refunding Escrow Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Refunding Escrow Agreement by such Authorized Officer.

Section 6. The Placement Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver the Placement Agent Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Placement Agent Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in a placement agent's fee in excess of \$20,000. The City Council hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Placement Agent Agreement will result in a lower overall cost.

Section 7. The assessed values of the property within the District and the value-to-lien information with respect thereto are set forth in the Value-to-Lien Report and, based thereon, the City Council, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Bonds will be at least three times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the District or a special assessment levied on property within the District.

Section 8. Notwithstanding the refunding of the Prior Bonds, it is the City's intention that any proceeds realized through foreclosure actions commenced with respect to delinquent special taxes previously levied to pay the principal of and

interest on the Prior Bonds, shall, to the maximum extent possible, be transferred to the Trustee and applied to the payment of debt service on the Bonds and to the appropriate reduction of Special Taxes, as defined in the Indenture.

Section 9. In accordance with SB 450, good faith estimates of the following have been obtained from the Municipal Advisor and the Placement Agent and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 10. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the issuance of the Bonds and the transactions contemplated by this Resolution.

Section 11. All actions heretofore taken by the Authorized Officers and by the officers and staff of any member of the City with respect to the District, the Prior Bonds, the Special Tax and the issuance and sale of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 12. This Resolution shall take effect immediately upon its adoption.

APPROVED and ADOPTED by the City Council of the City of Calabasas, acting for its Community Facilities District No. 98-1, on January 10, 2018.

Fred Gaines, Mayor
City of Calabasas

ATTEST:

Maricela Hernandez, MMC
City Clerk of the City of Calabasas

APPROVED AS TO FORM:

Scott H. Howard, City Attorney
Colantuono, Highsmith & Whatley, PC

EXHIBIT A GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by C.M. de Crinis & Co., Inc., the District's municipal advisor (the "Municipal Advisor") and Hilltop Securities Inc., the District's placement agent (the "Placement Agent"), each with respect to the Bonds.

Principal Amount. The Municipal Advisor has informed the District that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$4,000,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor and Placement Agent have informed the District that, assuming that the Estimated Principal Amount of the 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 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 Bonds, is 2.8%.

Finance Charge of the Bonds. The Municipal Advisor and Placement Agent have informed the District that, assuming that the Estimated Principal Amount of the 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 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$152,000.

Amount of Proceeds to be Received. The Municipal Advisor and Placement Agent have informed the District that, assuming that the Estimated Principal Amount of the 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 District for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$4,014,228.

Total Payment Amount. The Municipal Advisor and Placement Agent have informed the District that, assuming that the Estimated Principal Amount of the 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 District will make to pay debt

service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$4,668,701.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, 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 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 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 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the District based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.