

RESOLUTION NO. ____

RESOLUTION OF THE CATHEDRAL CITY PUBLIC FINANCING AUTHORITY APPROVING THE ISSUANCE OF THE CATHEDRAL CITY PUBLIC FINANCING AUTHORITY LOCAL AGENCY REVENUE BONDS, 2015 SERIES A, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$41,815,000, AUTHORIZING THE REDEMPTION OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY AND THE PURCHASE OF CERTAIN ASSESSMENT DISTRICT BONDS OF THE CITY, APPROVING THE EXECUTION OF AN INDENTURE AND TAKING OTHER ACTIONS RELATED THERETO

WHEREAS, the Cathedral City Public Financing Authority (the “Authority”) is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated December 1, 1993, by and between the City of Cathedral City, California (the “City”) and the Cathedral City Redevelopment Agency, and under the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Article 4 of the Act (the “Bond Law”) to borrow money for the purpose of financing and refinancing public capital improvements; and

WHEREAS, the Authority has previously issued its Cathedral City Public Financing Authority Local Agency Revenue Bonds, 2004 Series A (Limited Obligations) (the “Prior Authority Bonds”) in order to finance the purchase of the City’s Limited Obligation Refunding Improvement Bonds, City of Cathedral City Assessment District No. 96-1 (Rio Vista) (Reassessment and Refunding of 2004) Series 2004 and the City’s Limited Obligation Refunding Bonds (Property Secured Only – No Issuer Liability, City of Cathedral City, Districts No. 85-1, 86-1, 86-5, 88-2 and 88-3, Series 1996 (the “1996 Local Obligations”);

WHEREAS, the City has previously issued the bonds identified in Exhibit A hereto (the “Local Obligations”) for the purpose of financing certain public improvements in the various assessment districts located within the City (the “Assessment Districts”);

WHEREAS, the Local Obligations were each issued pursuant to separate fiscal agent agreements (each a “Fiscal Agent Agreement”) each by and between the City and the fiscal agent named thereunder (each a “Fiscal Agent”), and the debt service on such Local Obligations is payable from special assessments levied on property located within the respective Assessment Districts;

WHEREAS, the City now desires to achieve debt service savings through the redemption but not the cancellation of the Local Obligations pursuant to the terms of the applicable Fiscal Agent Agreement as provided in a written instruction to the applicable Fiscal Agent; and

WHEREAS, in such written instruction, the City shall further instruct the applicable Fiscal Agent to sell the applicable Local Obligations to the Authority;

WHEREAS, the Authority now desires to assist the City with its plan of redemption through the issuance of the not to exceed \$41,815,000 principal amount of Cathedral City Public Financing Authority Local Agency Revenue Bonds 2015 Series A (the “Bonds”);

WHEREAS, the Authority intends to use a portion of the proceeds of the Bonds to (i) redeem the Prior Authority Bonds, after which such redemption the Authority shall acquire the 1996 Local Obligations and (ii) to purchase from the each of the Fiscal Agents for the Local Obligations, the Local Obligations following the redemption but not the cancellation of such Local Obligations by the applicable Fiscal Agent;

NOW, THEREFORE, THE GOVERNING BOARD OF THE CATHEDRAL CITY PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. Approval of Bonds and Authorization of Redemption. The Authority hereby approves the issuance of the Bonds and their sale and delivery to City National Bank, or to one or more other purchasers in a public or private offering, in the aggregate principal amount not to exceed \$41,815,000, and a true interest rate on the Bonds not greater than 4.75%. In addition, the Authority authorizes the redemption of the Prior Authority Bonds in accordance with the terms of the indenture under which the Prior Authority Bonds were issued.

Section 3. Indenture. The Board hereby approves the Indenture in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. The Chairman or Executive Director of the Authority, the Secretary of the Authority or any of their respective designees (including the City Manager or the Administrative Services Director of the City) (each, a “Responsible Officer”) are each hereby authorized to execute the Indenture in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Purchase of the Local Obligations and the Acquisition of the 1996 Local Obligations. The Authority hereby authorizes the purchase of Local Obligations from the applicable Fiscal Agent following the redemption but not the cancellation of the Local Obligations. Additionally, the Authority is hereby authorized to acquire the 1996 Local Obligations in connection with the redemption of the Prior Authority Bonds. Revenues derived from the Local Obligations and the 1996 Local Obligations shall be used for the payment of debt service on the Bonds.

Section 5. Official Actions. The Responsible Officers, the Secretary and any and all other officers and agents of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including the placement of the Bonds with City National Bank, and execution and delivery of any and all agent agreements, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, terminations, warrants, escrow agreements or instructions with

respect to the redemption of the Prior Authority Bonds and other documents, which they, or any of them, deem necessary or advisable to consummate the lawful issuance and delivery of the Bonds and the consummation of the transactions as described herein. Stifel, Nicolaus & Company, Incorporated is authorized, pursuant to a letter engagement agreement on file with the Administrative Services Director, to serve as underwriter or placement agent for the Bonds.

Section 6. Effective Date. This resolution shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED this 22 day of June 2015 at a regular meeting of the Authority.

Stanley E. Henry, Chairman

ATTEST:

Gary F. Howell, Secretary

I, GARY F. HOWELL, SECRETARY of the City of Cathedral City Public Financing Authority, do hereby certify that the whole number of members is five; that the foregoing Resolution was introduced, was duly and regularly adopted by said Authority at a regular meeting duly and regularly held on the 22nd day of June, 2015, and the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By:

Gary F. Howell, Secretary

Exhibit A

Local Obligations

1. Limited Obligation Refunding Bonds (Property Secured Only – No Issuer Liability, City of Cathedral City, Districts No. 85-1, 86-1, 86-5, 88-2 and 88-3), Series 1996 ⁽¹⁾⁽²⁾
2. \$3,085,000 City of Cathedral City (Riverside County, California) Limited Obligation Improvement Bonds, Assessment District No. 2001-01 Series 2001
3. \$6,671,933.72 Limited Obligation Improvement Bonds, 35 th Avenue Assessment District No. 2003-01
4. Limited Obligation Refunding Improvement Bonds, City of Cathedral City Assessment District No. 96-1 (Rio Vista) (Reassessment and Refunding of 2004) Series 2004 ⁽¹⁾
5. \$5,978,326 Limited Obligation Improvement Bonds City of Cathedral City, Dream Homes Assessment District No. 2004-01
6. \$33,847,377 Limited Obligation Improvement Bonds, City of Cathedral City, Cove Improvement District No. 2004-02

¹ Currently held by the Authority in connection with its Cathedral City Public Financing Authority Bonds Local Agency Revenue Bonds, 2004 Series A (Limited Obligations).

² Bonds shall be cancelled in connection with the redemption of the Cathedral City Public Financing Authority Bonds Local Agency Revenue Bonds, 2004 Series A (Limited Obligations).