

RESOLUTION NO. 16-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,400,000 PRINCIPAL AMOUNT OF WATER REVENUE REFUNDING BONDS, SERIES 2016A, AUTHORIZING AND DIRECTING EXECUTION OF AN INDENTURE OF TRUST, CONTINUING DISCLOSURE AGREEMENT, ESCROW INSTRUCTIONS AND A BOND PURCHASE CONTRACT, AUTHORIZING THE SALE OF BONDS, APPROVING AN OFFICIAL STATEMENT AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of Firebaugh (the “City”) is a municipal corporation duly organized and validly existing under and by the virtue of the Constitution and laws of the State of California, and is authorized pursuant to Articles 10 and 11, Division 2, Title 5 (commencing with Section 53570) of the California Government Code, as amended (the “Refunding Law”) to borrow money for the purpose of refinancing indebtedness of the City; and

WHEREAS, the City has determined that it is in the interests of the City at this time to provide for the refinancing of its obligations relating to the Certificates of Participation (2007 Water System Improvement Project) (the “Prior Obligations”); and

WHEREAS, in order to provide funds to refinance the Prior Obligations, the City proposes to issue its City of Firebaugh Water Revenue Refunding Bonds, Series 2016A, in the aggregate principal amount of not to exceed \$4,400,000 (the “Bonds”), pursuant to an Indenture of Trust (the “Indenture”), currently dated as of October 1, 2016 between the City and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”); and

WHEREAS, the City proposes to sell the Bonds to Hilltop Securities Inc. (the “Underwriter”) for offer and sale by the Underwriter to members of the general public, and in connection with the offering of the Bonds, the City has caused to be prepared an Official Statement describing, among other things, the City, the Indenture, the Net Revenues and the Bonds, a preliminary form of which is on file with the City Clerk of the City; and

WHEREAS, the Bonds will be sold pursuant to a Bond Purchase Contract (the “Purchase Contract”) to be dated the date of sale, between the City and the Underwriter; and

WHEREAS, the City has duly considered such transactions, including, without limitation, the Indenture, the Bond Purchase Contract and the Official Statement, and wishes at this time to approve said transactions in the public interests of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Firebaugh as follows:

Section 1. Issuance of Bonds; Approval of Indenture. The findings set forth in the recitals hereof are true and correct. The City hereby authorizes the issuance of the Bonds under and pursuant to the Refunding Law and the Indenture in the aggregate principal amount of not to exceed \$4,400,000 for the purposes hereinbefore described. The City hereby approves the Indenture in substantially the form on file with the City Clerk together with any additions thereto or changes therein deemed necessary or advisable by the Mayor, the City Manager, the Finance Director, or their authorized designees (collectively, the “Authorized Officers”), upon consultation with the City Attorney and Nossaman LLP (“Bond Counsel”), whose execution thereof shall be conclusive evidence of the approval of any such additions and changes. Such changes and additions shall include, without limitation, the final date of the Indenture, the final series

designation of the Bonds, the insertion in the Indenture of the final annual maturities and final aggregate principal amount of the Bonds and the final annual interest rates payable with respect to the Bonds. Each of the Authorized Officers are hereby authorized and directed to execute the final form of the Indenture for and in the name and on behalf of the City. The City hereby authorizes the delivery and performance of the Indenture, so long as net present value savings of the debt service on the Bonds, as compared to the debt service on the Prior Obligations, is at least three percent (3%), underwriter's discount (excluding original issue discount) does not exceed one and one-quarter percent (1.25%), the final maturity date does not exceed June 1, 2047 and the principal amount does not exceed \$4,400,000.

Section 2. Bond Purchase Contract. The City hereby authorizes the sale of the Bonds to the Underwriter pursuant to and in accordance with the Bond Purchase Contract, in substantially the form on file with the City Clerk together with any additions thereto or changes therein approved by Authorized Officers, the execution thereof to be conclusive evidence of such approval. The City hereby delegates to each of the Authorized Officers, the authority to accept an offer from the Underwriter to purchase the Bonds from the City and to execute and deliver the Bond Purchase Contract.

Section 3. Approval of Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), between the City and the dissemination agent named therein, as presented to this meeting is hereby approved. An Authorized Officer is hereby authorized and directed, for and on behalf of the City, to execute, acknowledge and deliver the Continuing Disclosure Agreement, in substantially the form presented to this meeting, with such changes therein as such Authorized Officer may require or approve, with the advice and approval of City Attorney and Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The City Council hereby authorizes the City Manager to execute and deliver an agreement with the dissemination agent named in the Continuing Disclosure Agreement in order to provide the services required by such agreement after the issuance of the Bonds.

Section 4. Approval of Escrow Instructions. The form of Escrow Instructions (the "Escrow Instructions"), from the City to The Bank of New York Mellon Trust Company, N.A., acting as escrow agent for the Prior Obligations, as presented to this meeting is hereby approved. An Authorized Officer is hereby authorized and directed, for and on behalf of the City, to execute, acknowledge and deliver the Escrow Instructions, in substantially the form presented to this meeting, with such changes therein as such Authorized Officer may require or approve, with the advice and approval of City Attorney and Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Official Statement. The City hereby approves the preparation of, and hereby authorizes the Authorized Officers to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, a preliminary form of Official Statement describing the Bonds. Distribution of such preliminary Official Statement to prospective purchasers of the Bonds is hereby approved. Each of the Authorized Officers are hereby authorized to execute the final form of the Official Statement, on behalf of the City, including as it may be modified by such additions thereto and changes therein as the Authorized Officers shall deem necessary, desirable or appropriate, and the execution of the final Official Statement by the Authorized Officers shall be conclusive evidence of the approval of any such additions and changes. The City hereby authorizes the distribution of the final Official Statement by the purchaser of the Bonds.

Section 6. Municipal Bond Insurance. The City hereby authorizes the City Manager to select a municipal bond insurer to insure payments of principal of and interest on all or a portion of the Bonds so long as the City Manager determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to such Bonds. Bond Counsel is hereby directed to make all changes to the Indenture, the Escrow Instructions, the Preliminary Official Statement,

the Bond Purchase Contract and the Continuing Disclosure Agreement, as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

Section 7. Official Action. The Authorized Officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including purchase of bond insurance resulting in present value savings and purchase of a reserve fund surety policy and execution and delivery of any and all assignments, certificates, requisition, agreements, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Bonds and the refinancing of the Prior Bonds.

Section 8. Effective Date. This Resolution shall take effect immediately upon adoption.

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I, the undersigned City Clerk of the City of Firebaugh, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the City Council of the City at a meeting thereof on the 19th day of September, 2016, by the following vote of the members thereof:

AYES:

NOES:

ABSTAINED:

ABSENT:

APPROVED:

ATTESTED:

Freddy Valdez, Mayor

Rita Lozano, Deputy City Clerk