

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED AUTHORIZING THE ISSUANCE OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED, 2019 SPECIAL TAX REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000, AUTHORIZING THE SALE OF SUCH BONDS UPON CERTAIN TERMS AND CONDITIONS, APPROVING AN OFFICIAL STATEMENT, APPROVING THE EXECUTION AND DELIVERY OF A FISCAL AGENT AGREEMENT, AN ESCROW AGREEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City Council (the “Council”) of the City of Merced (the “City”) has previously formed the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”); and

WHEREAS, the District previously issued its 2006 Special Tax Bonds (the “Prior Bonds”); and

WHEREAS, an opportunity exists to refund the Prior Bonds for the purpose of achieving debt service savings, which savings will benefit the property owners within the District; and

WHEREAS, for the purpose of refunding the Prior Bonds, the District desires to issue not to exceed \$4,500,000 aggregate principal amount of bonds designated “Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds (the “Bonds”); and

WHEREAS, proposed forms of a Fiscal Agent Agreement, an Escrow Agreement, a Bond Purchase Agreement, a Continuing Disclosure Agreement and a Preliminary Official Statement have been presented to the City Council and are on file with the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and the City Council, as the legislative body of the District, hereby so finds and determines.

SECTION 2. The City Council, as the legislative body of the District, hereby finds and determines that (a) pursuant to Section 53362.5 of the Act, the total interest cost to maturity of the Bonds plus the principal amount of the Bonds does not exceed the total interest cost of the Prior Bonds plus the principal amount of the Prior Bonds, and (b) pursuant to Section 53364.2 of the Act, the savings achieved through the issuance of the Bonds will be used to reduce the special taxes levied to retire the Bonds.

SECTION 3. The City Council, as the legislative body of the District, hereby authorizes the issuance of the Bonds in the aggregate principal amount not to exceed \$4,500,000.

SECTION 4. The City Council, as the legislative body of the District, hereby approves the Fiscal Agent Agreement, in substantially the form on file with the City Clerk. The Mayor, the City Manager, the Finance Officer, and any designee of any of them (each, a "Responsible Officer") are hereby authorized to execute the Fiscal Agent Agreement in substantially the form presented hereto, with such revisions, amendments and completions as shall be approved by any Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer.

SECTION 5. The City Council, as the legislative body of the District, hereby approves the Escrow Agreement in substantially the form on file with the City Clerk. Any Responsible Officer is hereby authorized to execute the Escrow Agreement in substantially the form presented hereto, with such revisions, amendments and completions as shall be approved by any Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer.

SECTION 6. The City Council, as the legislative body of the District, hereby approves the Continuing Disclosure Agreement in substantially the form on

file with the City Clerk. Any Responsible Officer is hereby authorized to execute the Continuing Disclosure Agreement in substantially the form presented hereto, with such revisions, amendments and completions as shall be approved by any Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer.

SECTION 7. The City Council, as the legislative body of the District, hereby authorizes the sale of the Bonds to the Underwriter pursuant to and in accordance with the Bond Purchase Agreement (the "Purchase Agreement"), which Purchase Agreement the District hereby approves in substantially the form on file with the City Clerk and presented to the City Council at this meeting. Any Responsible Officer is hereby authorized to execute the Purchase Agreement, in substantially the form presented hereto, with such insertions and changes as may be approved by the Responsible Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery. The underwriter's discount for the Bonds specified in the Purchase Agreement shall not exceed 1.75%, exclusive of original issue discount. The true interest cost applicable to the Bonds shall not exceed 4.5%. The maturity date of the Bonds shall not extend beyond the final maturity of the Prior Bonds.

SECTION 8. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself, in its sole discretion, the right and authority by subsequent resolution to allow any owner of property within the District, subject to the provisions of Section 53344.1 of the Act and those conditions as it may impose, and any applicable prepayment penalties as prescribed in the Fiscal Agent Agreement, to tender to the Fiscal Agent in full payment or partial payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

SECTION 9. The City Council, as the legislative body of the District, hereby approves the form of the Preliminary Official Statement (the "Preliminary Official Statement"), in substantially the form on file with the City Clerk, with such changes and modifications as shall be necessary or appropriate for completion to the satisfaction of the City Manager or Finance Officer and approval by the City's Disclosure Counsel. Any Responsible Officer is authorized and directed, on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities and Exchange Act of 1934. The District

further approves distribution of the Preliminary Official Statement by the Underwriter to persons who may be interested in purchasing the Bonds. The District hereby approves the final Official Statement (the "Official Statement") describing the Bonds and any Responsible Officer is hereby authorized and directed to execute the Official Statement with such changes in or additions to the final form of the Official Statement to conform to the requirements of the Bond Purchase Agreement and the Fiscal Agent Agreement, as applicable, subject to approval by the City's Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer. Distribution of the final Official Statement by the Underwriter is hereby approved.

SECTION 10. In accordance with SB 450, good faith estimates of the following have been presented at this meeting: (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 11. The District hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

SECTION 12. The City Manager, the Finance Officer, the City Clerk and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City and the District, to do any and all things and take any and all other actions, including the publication of any notices necessary or desirable in connection with the sale of the Bonds and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

SECTION 13. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the City of Merced, acting as the legislative body of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, at a regular meeting held on the ____ day of November 2019, by following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED

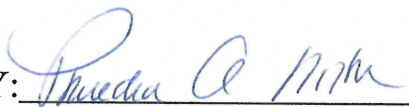
By _____
Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM

BY:  10-7-19
City Attorney Date