

RESOLUTION NO. 2024-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, ACTING FOR ITSELF AND AS THE LEGISLATIVE BODY OF CITY OF PALM DESERT COMMUNITY FACILITIES DISTRICT NO. 2021-1 (UNIVERSITY PARK), TO AUTHORIZE THE ISSUANCE OF THE DISTRICT'S SPECIAL TAX BONDS, SERIES 2024, AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

RECITALS:

WHEREAS, the City Council of the City of Palm Desert (the "**City**"), located in Riverside County, California (the "**City Council**", and hereinafter sometimes referred to also as the "**legislative body of the District**"), has formed the City of Palm Desert Community Facilities District No. 2021-1 (University Park) (the "**District**"), pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "**Act**");

WHEREAS, the District was formed by the City Council at the request and petition of University Park Investor, LLC, the owner and developer of the property within the District (the "**Developer**") to finance certain public facilities necessary to meet the increased demands placed upon the public infrastructure, the City, and the Coachella Valley Water District as a result of the development of the property within the boundaries of the District (including development impact fees therefor);

WHEREAS, based upon Resolution No. 2021-10 (the "**Resolution of Formation**") and Resolution No. 2021-11, each adopted by the legislative body of the District on April 22, 2021, and an election held on May 13, 2021 authorizing the levy of a special tax and the issuance of bonds by the District, the District is authorized to issue bonds for one or more series, pursuant to the Act, in an aggregate principal amount not to exceed \$50,000,000 for the purpose of financing certain public facilities identified in the Resolution of Formation (the "**Project**");

WHEREAS, the City, the District, and the Developer, entered into an Acquisition Agreement, dated as of June 24, 2021, which specifies the public facilities the Developer will construct that are eligible to be financed from bond proceeds;

WHEREAS, in July 2021, pursuant to a Bond Indenture, dated as of July 1, 2021 (the "**Master Indenture**"), by and between the District and U.S. Bank Trust Company, National Association, as trustee, the District issued its Special Tax Bonds, Series 2021 (the "**Series 2021 Bonds**") in the initial aggregate principal amount of \$15,200,000.

WHEREAS, the District deems it necessary and desirable to issue bonds on a parity with the Series 2021 Bonds designated as the "City of Palm Desert Community Facilities District No. 2021-1 (University Park), Special Tax Bonds, Series 2024" (the "**Series 2024 Bonds**"), for the purpose of financing additional costs of the Project.

WHEREAS, as a precondition to the issuance of the Series 2024 Bonds; Section 53345.8 of the Act requires the value of the real property in the District subject to the special tax to pay debt service on the Series 2024 Bonds to be not less than three (3) times the principal amount of the Series 2024 Bonds and the principal amount of all other bonds outstanding

(including the Series 2021 Bonds) that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District;

WHEREAS, in order to effect the issuance of the Series 2024 Bonds, the City Council, for itself and as the legislative body of the District, desires to approve the form of a Preliminary Official Statement and to approve the forms of, and authorize the execution and delivery of, a First Supplemental Indenture for the Series 2024 Bonds, a Bond Purchase Agreement, and a Continuing Disclosure Agreement, the forms of which are on file with the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT, ACTING FOR ITSELF AND AS THE LEGISLATIVE BODY OF CITY OF PALM DESERT COMMUNITY FACILITIES DISTRICT NO. 2021-1 (UNIVERSITY PARK), DOES HEREBY RESOLVE, FIND, DECLARE AND ORDER AS FOLLOWS:

Section 1. Each of the above recitals is true and correct and is adopted by the City Council, acting for itself and as the legislative body of the District.

Section 2. The legislative body of the District hereby finds and determines that, as determined in accordance with Section 53345.8 of the Act and as required by the City's Goals and Policies for Community Facilities Districts adopted by Resolution No. 05-86 approved by the City Council on October 13, 2005 pursuant to Section 53312.7 of the Act (the "**CFD Goals and Policies**"), the value of the real property in the District subject to the special tax to pay debt service on the Series 2024 Bonds is not less than three (3) times the principal amount of the Series 2024 Bonds and the principal amount of all other bonds outstanding (including the Series 2021 Bonds) that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District. This determination is based on an appraisal with respect to the real property within the District, which appraisal has been made in a manner consistent with the CFD Goals and Policies, as further described in the Preliminary Official Statement (as defined in Section 6 below).

Section 3. The issuance of the Series 2024 Bonds in an aggregate principal amount not to exceed \$13,000,000 is hereby authorized, with the exact principal amount of the Series 2024 Bonds to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The Bonds may be issued as a single issue, or as separate series, as determined by Bond Counsel to comply with applicable tax law. The legislative body of the District hereby determines that it is prudent in the management of its fiscal affairs to issue the Series 2024 Bonds. The Series 2024 Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed by the District in accordance with Section 5 hereof. The Series 2024 Bonds shall be governed by the terms and conditions of the Master Indenture, as supplemented by the First Supplemental Indenture presented at this meeting, on file with the City Clerk and incorporated herein by reference (the "**First Supplemental Indenture**"). The First Supplemental Indenture shall be executed by any one of the Mayor, the Mayor Pro Tem (in the Mayor's absence), the City Manager, the Assistant City Manager (in the City Manager's absence), or any deputy of such officers (each, an "**Authorized Officer**"), acting singly, in substantially the form presented at this meeting, with such additions thereto and changes therein as may be approved by such officer upon consultation with Bond Counsel. Approval of such changes shall be conclusively evidenced by the execution and delivery of the First Supplemental Indenture by any one of the Authorized Officers. The date or dates, maturity or maturities, pledge or assignment of any revenues of the District to the repayment of the Series 2024 Bonds, the manner of investment of any bond proceeds and other revenues, manner of

payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, rebate provisions, funds designated to pay the costs of issuance of the Series 2024 Bonds, and other terms of the Series 2024 Bonds shall be as provided in the Master Indenture, as supplemented by the First Supplemental Indenture, as finally executed, and shall be in conformance with any such terms set forth in the Bond Purchase Agreement described in Section 5 below and the Official Statement described in Section 6 below and delivered to the purchasers of the Series 2024 Bonds. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Master Indenture, as supplemented by the First Supplemental Indenture.

Section 4. The Series 2024 Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor of the City and attested with the manual or facsimile signature of the City Clerk. The appointment of U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “**Trustee**”) under the First Supplemental Indenture is hereby approved.

Section 5. The form of the Bond Purchase Agreement by and between the District and the Underwriter presented at this meeting, on file with the City Clerk and incorporated herein by reference (the “**Bond Purchase Agreement**”), is hereby approved, and any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement in substantially the form hereby approved, with such additions thereto and changes therein as may be approved by such officer upon consultation with Bond Counsel. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if (i) the Series 2024 Bonds are purchased by the Underwriter at a price that results in a total interest cost that does not exceed 6.50%, (ii) the discount paid to the Underwriter (exclusive of original issue discount) does not exceed 1.50% of the principal amount of the Series 2024 Bonds, (iii) the aggregate principal amount of the Series 2024 Bonds does not exceed \$13,000,000. The legislative body of the District hereby finds and determines, pursuant to Section 53360.4 of the Act, that the sale of the Series 2024 Bonds at a negotiated sale to the Underwriter, as contemplated by the Bond Purchase Agreement, will result in a lower overall cost than a public sale. Each of the Authorized Officers is authorized to determine the day on which the Series 2024 Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

Section 6. The form of the Preliminary Official Statement for the Series 2024 Bonds presented at this meeting, on file with the City Clerk and incorporated herein by reference (the “**Preliminary Official Statement**”) is hereby approved. For purposes of this Section 6, the term “Authorized Officers” shall include the City Treasurer. The Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Series 2024 Bonds in substantially the form hereby approved, together with such additions thereto and changes therein as are determined necessary by any one of the Authorized Officers, upon consultation with Bond Counsel and Disclosure Counsel, to make the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in substantially the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officer executing the Official Statement, upon consultation with Bond Counsel, to make such Official Statement complete and accurate as

of its date. The Underwriter is further authorized to distribute the final Official Statement for the Series 2024 Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the District as described above.

Section 7. The form of the Continuing Disclosure Agreement for the Series 2024 Bonds presented at this meeting and appended to the Preliminary Official Statement, on file with the City Clerk and incorporated herein by reference (the “**Continuing Disclosure Agreement**”), is hereby approved, and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Agreement in substantially the form hereby approved, with such additions thereto and changes therein as may be approved by such officer upon consultation with Bond Counsel and Disclosure Counsel, with such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 8. Appointment of Financing Team. The appointments of Del Rio Advisors, LLC, as municipal advisor; Richards, Watson & Gershon, A Professional Corporation, as bond counsel; Best Best & Krieger LLP, as disclosure counsel; Capital Realty Analysts, as appraiser; and Piper Sandler & Co, Inc., as underwriter, in connection with the proposed issuance of the Series 2024 Bonds, are hereby approved and affirmed.

Section 9. All actions heretofore taken by the officers and agents of the City and the District with respect to the establishment of the District, the issuance and sale of the Series 2024 Bonds, or in connection with or related to any of the agreements or documents referenced herein are hereby approved, confirmed, and ratified. The Mayor, each of the Authorized Officers, the Director of Finance, the Development Services Director, the Public Works Director, and other officers and staff of the City and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions, and execute and deliver any and all documents as are necessary to accomplish (a) the issuance, sale and delivery of the Series 2024 Bonds in accordance with the provisions of this Resolution; (b) the transactions contemplated by the First Supplemental Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Agreement; and (c) the fulfillment of the purposes of the Series 2024 Bonds, including, but not limited to, providing certificates as to the accuracy of any information relating to the District which is included in the Official Statement. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy clerk.

Section 10. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED and ADOPTED by the City Council of the City of Palm Desert, California, on this ____ day of _____, 2024, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Karina Quintanilla
Mayor

ATTEST:

City Clerk
City of Palm Desert, California