

**CITY OF DESERT HOT SPRINGS FINANCING CORPORATION**

**RESOLUTION NO. DHSFC-2017-\_\_\_\_\_**

**A RESOLUTION OF THE CITY OF DESERT HOT SPRINGS FINANCING CORPORATION APPROVING DOCUMENTS AND ACTIONS RELATING TO THE REFINANCING OF 2004 CERTIFICATES OF PARTICIPATION AND FINANCING ADDITIONAL CAPITAL IMPROVEMENTS**

**WHEREAS**, the City of Desert Hot Springs (the "City") has previously caused the execution and delivery of the City of Desert Hot Springs Certificates of Participation (Interim Cash Flow Financing) in the aggregate initial principal amount of \$3,060,000 in 2004 (the "2004 Certificates") for the purpose of financing certain obligations of the City; and

**WHEREAS**, the City has previously issued the City of Desert Hot Springs Judgment Obligation Bonds in the aggregate initial principal amount of \$9,725,000 in 2004 (the "2004 Bonds," and together with the 2004 Certificates, the "Prior Obligations") for the purpose of financing certain obligations of the City; and

**WHEREAS**, in order to take advantage of prevailing bond market conditions, the City Council of the City wishes to authorize the refinancing of the Prior Obligations and to borrow additional funds to help to finance in whole or in part the acquisition, construction, renovation and remodeling of various public capital improvements on property owned by the City (collectively, the "Project"); and

**WHEREAS**, to that end, the City has proposed to lease certain real property owned by the City located at 65950 Pierson Boulevard in the City aggregating 4 acres, and comprising the City Hall, Fire Station, and certain unimproved land adjacent thereto (the "Leased Property") to the Desert Hot Springs Public Financing Authority (the "Authority") in consideration of the payment by the Authority of an upfront rental payment which is sufficient to provide funds to refinance the Prior Obligations and to finance all or a portion of the Project; and

**WHEREAS**, in order to raise funds for such purpose, the Authority proposes to issue and sell its Desert Hot Springs Public Financing Authority 2017 Lease Revenue Bonds in the aggregate principal amount of not to exceed \$15,000,000.00 (the "Bonds") under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"); and

**WHEREAS**, in order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the "Lease Agreement"), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to Wells Fargo Bank, National Association, as trustee for the Bonds; and

**WHEREAS**, the City of Desert Hot Springs Financing Corporation is a party to certain agreements with the City related to the 2004 Certificates; and

**WHEREAS**, the Board of Directors wishes at this time to approve all proceedings of the Corporation relating to the refinancing of the 2004 Certificates.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the City of Desert Hot Springs Financing Corporation as follows:

### **Section 1.     APPROVAL OF TERMINATION AGREEMENT**

The Board of Directors hereby approves the Termination Agreement among the City, the Corporation, and Wells Fargo Bank, National Association as trustee for the 2004 Certificates, pursuant to which certain agreements entered into by the Corporation and the City in connection with the execution and delivery of the 2004 Certificate will be terminated, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by the President or the Treasurer or any of their designees (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the Corporation to execute, and the Secretary is hereby authorized and directed to attest, the final form of said Termination Agreement.

### **Section 2.     OFFICIAL ACTIONS**

The Authorized Officers, the General Counsel, the Secretary and all other officers of the Corporation are each authorized and directed on behalf of the Corporation to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, including an escrow agreement and/or refunding instructions related to the 2004 Certificates, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the Corporation is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

### **Section 3.     EFFECTIVE DATE**

This Resolution shall take effect immediately upon its passage and adoption.

### **Section 4.     CERTIFICATION**

The undersigned Secretary of the City of Desert Hot Springs Financing Corporation, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of the Corporation at a meeting thereof on the 21st day of February, 2017, by the following vote of the members thereof:

**PASSED, APPROVED AND ADOPTED** by the Desert Hot springs Financing Corporation of the City of Desert Hot Springs at a meeting held on the 21<sup>st</sup> of February, 2017, by the following vote:

**AYES:**     4 – McKee; Parks; Zavala; and Mayor Matas.

**NOES:**     None.

**RECUSED:** 1 – Betts

**ABSENT:** None.

**ATTEST:**

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Jerryl Soriano, Secretary  
Desert Hot Springs Financing Corporation

**APPROVED:**

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Scott Matas, Chairman  
Desert Hot Springs Financing Corporation

**APPROVED AS TO FORM:**

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Jennifer Mizrahi, General Counsel  
Desert Hot Springs Financing Corporation