

RESOLUTION NO. 20-02

A RESOLUTION OF BOARD OF DIRECTORS OF THE CHRISTIAN VALLEY PARK COMMUNITY SERVICES DISTRICT APPROVING THE FORM OF AND AUTHORIZING AND DIRECTING EXECUTION AND DELIVERY OF A FINANCING AGREEMENT AND IRREVOCABLE REFUNDING INSTRUCTIONS PROVIDING FOR THE REFUNDING OF THE 2008 GAYLE LOOP CERTIFICATES OF PARTICIPATION; APPOINTING CONSULTANTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO

WHEREAS, the Christian Valley Park Community Services District (the "District") has heretofore provided for the issuance of Certificates of Participation (Gayle Loop Project), dated August 12, 2008, issued in the original aggregate principal amount of \$921,000 (the "Prior Obligations"); and

WHEREAS, the District owns and operates facilities for the production, storage, treatment and distribution of water within the service area of the District (the "Water Enterprise"); and

WHEREAS, the Board of Directors (the "Board"), after due investigation and deliberation, now desires to arrange for the procurement of low interest rate municipal financing in connection with the proposed prepayment and defeasance (hereafter referred to as "Refunding") of the District's remaining outstanding principal balance of the Prior Obligations, which will save the District and its affected ratepayers money as a result of reduced debt service payments stemming from such Refunding; and

WHEREAS, in order to carry out the Refunding, the Board wishes at this time to authorize the issuance of its "Christian Valley Park Community Services District, Series 2020 Water Revenue Refunding Loan Obligations (Gayle Loop Refunding Project), Bank Qualified" (the "2020 Obligations"), pursuant to terms and conditions of a Financing Agreement (the "Financing Agreement") related to the Water Enterprise, dated as of May 1, 2020, by and between the District and First Foundation Bank (the "Bank"), a form copy of which has been presented at this meeting and is on file with the Secretary; and

WHEREAS, in order to efficiently accomplish the Refunding and issuance of 2020 Obligations, the District desires to appoint bond counsel and municipal advisor to provide the necessary professional services in connection therewith; and

WHEREAS, pursuant to the Financing Agreement, the District will make payments from the net revenues of its Water Enterprise operations, sufficient in amount to pay back the debt service on the 2020 Obligations, as more particularly set forth in the Financing Agreement; and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Refunding Bond Law"), to procure execute and deliver the Financing Agreement for the purpose of Refunding the Prior Obligations; and

WHEREAS, it is now appropriate and necessary to prepay and call in for redemption the outstanding Prior Obligations, in order to complete the Refunding; and

WHEREAS, in order to properly account for the Refunding, as well as the legal defeasance of the Prior Obligations it is now appropriate and necessary for the District to (i) make, execute and deliver the 2020 Obligations in the aggregate principal amount necessary to Refund and legally defease the Prior Obligations in advance of their scheduled maturities, and (ii) approve the form of Irrevocable Refunding Instructions, dated as of May 1, 2020, in connection with the Refunding of the Prior Obligations (the "Refunding Instructions"), copies of which have been presented at this meeting and are on file with the Secretary; and

WHEREAS, the Board, with the aid of its staff, has reviewed the Financing Agreement and Refunding Instructions, the forms of which is on file with the Secretary, and the Board wishes at this time to approve the foregoing documents as being within the public interests of the District; and

WHEREAS, the Board desires to designate the 2020 Obligations for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the "Code") as a "Qualified Tax-Exempt Obligation;" and

WHEREAS, Section 5852.1 of the Government Code of the State of California ("Section 5852.1") provides that the Board obtain from the Bank and disclose, in a meeting open to the public, prior to authorization of the 2020 Obligations, good faith estimates of: (a) the true interest cost of the 2020 Obligations, (b) the finance charge of the 2020 Obligations, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the 2020 Obligations received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the 2020 Obligations and (d) the sum total of all debt service payments on the 2020 Obligations calculated to the final maturity of the 2020 Obligations plus the fees and charges paid to third parties not paid with the proceeds of the 2020 Obligations; and

WHEREAS, in accordance with Section 5852.1, the Board has obtained such good faith estimates from the Bank, and such estimates are disclosed in Sections 7 hereof; and

WHEREAS, the Board wishes at this time to authorize all actions and proceedings relating to the procurement and delivery of the 2020 Obligations, the execution and delivery of the Financing Agreement and Refunding Instructions, as well as the Refunding and defeasance of the Prior Obligations; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Christian Valley Park Community Services District, as follows:

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations set forth in the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. Authorizing the Issuance of 2020 Obligations. The Board hereby authorizes the issuance of the 2020 Obligations pursuant to the Financing Agreement and the Refunding Bond Law.

Section 3. Authorized Representatives. The President, Vice President, General Manager, Secretary and any other person authorized by the Board to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the execution of the Financing Agreement and the corresponding issuance and delivery of the 2020 Obligations, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the execution and delivery of the 2020 Obligations, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has intended with the adoption of this Resolution.

Section 4. Approval of Financing Agreement. The Board hereby authorizes and approves the execution and delivery of the Financing Agreement. The Board approves the Financing Agreement in substantially the form on file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Financing Agreement for and in the name and on behalf of the District, and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Financing Agreement.

Section 5. Approval of Refunding Instructions. The Board hereby authorizes and approves the execution and delivery of the Refunding Instructions. The Board approves the Refunding Instructions in substantially the form on file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Refunding Instructions for and in the name and on behalf of the District, and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Refunding Instructions.

Section 6. 2020 Obligations Designated as a Qualified Tax-Exempt Obligation. The Board hereby designates the 2020 Obligations for purposes of Paragraph (3) of Section 265(b) of the Code as a "Qualified Tax-Exempt Obligation" and covenants that the 2020 Obligations do not constitute a private activity bond as defined in Section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the District (including all subordinate entities of the District and all entities which may issue obligations on behalf of the District) during the calendar year 2020 is not reasonably expected to exceed \$10,000,000, excluding, however, private activity bonds, as defined in Section 141 of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code) and current refunding obligations having a principal amount not in excess of the refunded obligation.

Section 7. Good Faith Estimates. Set forth below are good faith estimates of the Underwriter, as required under Section 5852.1 of the California Government Code (the "Code") for the 2020 Obligations. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution.

(a) The true interest cost of the 2020 Obligations is estimated at 2.66%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the 2020 Obligations, including all fees and charges paid to third parties, is estimated at \$38,671.

(c) Proceeds of the 2020 Obligations received by the District of \$684,000 (estimated) less the finance charge set forth in (b) above, is equal to \$645,329.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$889,921.76.

The foregoing are estimates and the final costs will depend on market conditions as well as the timing of draws and can be expected to vary from the estimated amounts set forth above.

Section 8. Engagement of Professional Services. The District hereby approves the engagement of The Weist Law Firm, as Bond Counsel to the District, and California Municipal Advisors LLC (CalMuni) as municipal advisor in connection with the issuance and sale of the 2020 Obligations. An Authorized Representative is hereby authorized to execute a legal services agreement with The Weist Law Firm as well as an agreement with CalMuni.

Section 9. Authorized Representatives. The President, Vice President, General Manager, Secretary and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by this Resolution, the Financing Agreement and the Refunding Instructions. Whenever any officer of the District is authorized to execute or countersign any document or take any action contemplated by this Resolution, the Financing Agreement or the Refunding Instructions, 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 in the case such officer is absent or unavailable.

Section 10. Full Compliance. The Board hereby finds and determines that it has taken all of the foregoing actions, and made all of the foregoing findings, in full compliance with the law, and that all prior proceedings taken with respect to the Refunding and issuance of 2020 Obligations were duly considered, and are hereby considered valid and in conformity with the requirements of law.

Section 11. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

Passed and adopted at a meeting of the Board of Directors of the Christian Valley Park Community Services District held on the 19th day of May, 2020 by the following vote:

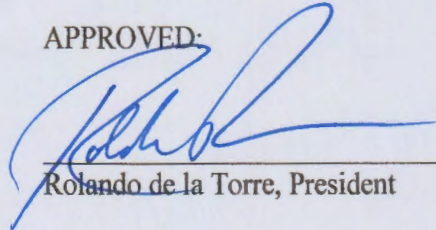
AYES: Rolando de la Torre, Lynn Cook, Dan Negus, Kathleen Daugherty, Bonnie Gilmore

NOES: none

ABSENT: none

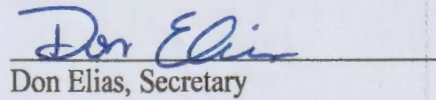
ABSTAIN: none

APPROVED:



Rolando de la Torre, President

ATTEST:



Don Elias, Secretary