

RESOLUTION NO. 16-49

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING THE ISSUANCE OF LANCASTER FINANCING AUTHORITY 2016 ASSESSMENT REVENUE BONDS (STREETLIGHTS ACQUISITION) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,250,000, APPROVING AN INSTALLMENT PURCHASE AGREEMENT, A BOND PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH, AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Lancaster Financing Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise Powers Agreement by and between the City of Lancaster (the "City") and the Successor Agency to the Lancaster Redevelopment Agency, as successor to the Lancaster Redevelopment Agency, under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority; and

WHEREAS, the Authority desires to assist the City in financing the acquisition of approximately 17,856 streetlight facilities located in the City from Southern California Edison and certain improvements related thereto (the "Project"), and has determined to issue its 2016 Assessment Revenue Bonds (Streetlights Acquisition) (the "Bonds") for such purpose; and

WHEREAS, the City will sell to the Authority the Project in consideration for the issuance of the Bonds and simultaneously purchase the Project from the Authority in consideration for installment payments equal to the principal and interest coming due on the Bonds pursuant to an Installment Purchase Agreement (the "Installment Agreement"); and

WHEREAS, as a condition precedent to the Bonds to provide financing for the Project, Section 6586.5 of the California Government Code requires that the City approve the proposed financing by the Authority and that the City make certain findings with respect to such financing, as hereinafter set forth, and said Section 6586.5 further requires that such approval be given and findings be made only after noticed public hearing thereon; and

WHEREAS, as required by Section 6586.5, the City has caused publication of a notice of a public hearing on the financing of the Project once at least five days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, this Council held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Project; and

WHEREAS, the City has duly considered such transactions and wishes at this time to approve certain matters relating to the transactions as being in the public interest of the City.

NOW, THEREFORE, the City Council of the City of Lancaster does hereby resolve as follows:

Section 1. The foregoing recitals are true and correct and the City hereby so finds and determines.

Section 2. Pursuant to the Act, and based on the information provided to the City Council by City staff and consultants, all as set forth in the proceedings and documents providing for the issuance and delivery of the Bonds, the City Council hereby finds and determines that the issuance of the Bonds to finance the Project and the transactions related thereto will result in significant public benefits within the contemplation of Section 6586 of the California Government Code, including, but not limited to, demonstrable savings in bond preparation, bond underwriting and bond issuance costs.

Section 3. The City Council hereby approves the issuance of the Bonds by the Authority in the aggregate principal amount not to exceed \$14,250,000.

Section 4. The City Council hereby approves the Installment Agreement, in substantially the form on file with the City Clerk and presented to the City Council at this meeting. Any one of the Mayor (or, in the absence of the Mayor, the Vice Mayor), the City Manager (or, in the absence of the City Manager, the Deputy City Manager), and each of them (each, an "Authorized Officer" and collectively, the "Authorized Officers"), is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Installment Agreement, with such insertions and changes as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

Section 5. The City Council hereby approves the Continuing Disclosure Agreement, in substantially the form on file with the City Clerk and presented to the City Council at this meeting. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Agreement, with such insertions and changes as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

Section 6. The City Council hereby authorizes the sale of the Bonds to Hilltop Securities Inc., as underwriter (the "Underwriter") pursuant to and in accordance with the Bond Purchase Contract, in substantially the form on file with the City Clerk and presented to the City Council at this meeting. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Bond Purchase Contract, with such insertions and changes as may be approved by the Authorized 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 Bond Purchase Contract shall not exceed 1.25% of the aggregate principal amount thereof, exclusive of original issue discount. The true interest cost on the Bonds shall not exceed 3.75%.

Section 7. The City Council hereby approves the form of the Preliminary Official Statement (the "Preliminary Official Statement"), in substantially the form on file with the City Clerk and presented to the City Council at this meeting, with such changes and modifications as shall be necessary or appropriate for completion to the satisfaction of any Authorized Officer. Any one of the Authorized Officers is authorized and directed, on behalf of the City to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities and Exchange Act of 1934. The City Council further approves distribution of the Preliminary Official Statement by the Underwriter to persons who may be interested in purchasing the Bonds. Any one of the Authorized Officers is authorized and directed to execute and deliver a final Official Statement in substantially the form of the Preliminary Official Statement hereby approved, with such additions thereto and changes therein as are consistent with this Resolution and recommended or approved by disclosure counsel to the City and approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The City Council hereby approves the Policies and Guidelines Regarding Post-Issuance Compliance With Federal Tax Requirements Applicable to Tax-Exempt Bonds attached in the form on file with the City Clerk and presented to the City Council at this meeting.

Section 9. The Authorized Officers, the other officers and employees of the City, the members of the City Council, Bond Counsel, Disclosure Counsel and the other consultants to and agents of the City, are each hereby authorized and directed to do all things and take all actions necessary or desirable to effectuate the transactions contemplated by this Resolution, and to execute such other assignments, agreements, certificates, receipts, endorsements, orders, opinions and other documents in connection with such transactions, including, without limitation, closing documents in connection with the issuance of the Bonds, and all actions heretofore taken by the officers, employees and agents of the City in connection with the issuance of the Bonds are hereby ratified, approved and confirmed in every respect.

Section 10. This Resolution shall become effective immediately upon adoption.

PASSED, APPROVED, and ADOPTED this 13th day of September, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 16-49, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

RESOLUTION NO. FA 02-16

A RESOLUTION OF THE LANCASTER FINANCING AUTHORITY APPROVING THE ISSUANCE OF LANCASTER FINANCING AUTHORITY 2016 ASSESSMENT REVENUE BONDS (STREETLIGHTS ACQUISITION) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,250,000, AND APPROVING AN INDENTURE, AN INSTALLMENT PURCHASE AGREEMENT, A BOND PURCHASE CONTRACT, A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH, AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Lancaster Financing Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise Powers Agreement by and between the City of Lancaster (the "City") and the Successor Agency to the Lancaster Redevelopment Agency, as successor to the Lancaster Redevelopment Agency, under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority; and

WHEREAS, the Authority desires to assist the City in financing the acquisition of approximately 17,856 streetlight facilities located in the City from Southern California Edison and certain improvements related thereto (the "Project"), and has determined to issue its 2016 Assessment Revenue Bonds (Streetlights Acquisition) (the "Bonds") for such purpose; and

WHEREAS, the City will sell to the Authority the Project in consideration for the issuance of the Bonds and simultaneously purchase the Project from the Authority in consideration for installment payments equal to the principal and interest coming due on the Bonds pursuant to an Installment Purchase Agreement (the "Installment Agreement"); and

WHEREAS, as required by Section 6586.5 of the Act, the City has caused publication of a notice of a public hearing on the financing of the Project once at least five days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, the City Council held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Project, and, following the hearing, found that issuance of the Bonds for the purpose of financing the Project will result in significant public benefits of the type described in Section 6586 of the Act, including, but not limited to, demonstrable savings in bond preparation, bond underwriting and bond issuance costs; and

WHEREAS, the Board of Directors has duly considered these transactions and wishes at this time to approve these transactions and make certain findings regarding significant public benefits to the Authority's members with respect to these transactions.

NOW, THEREFORE, THE LANCASTER FINANCING AUTHORITY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. Pursuant to the Act, the Board hereby finds and determines that the issuance of the Bonds to finance the Project and the transactions related thereto will result in significant public benefits to its members within the contemplation of Section 6586 of the Act.

Section 3. The Authority hereby approves the issuance of the Bonds in the aggregate principal amount not to exceed \$14,250,000 pursuant to the Indenture (the "Indenture"), and approves the Indenture in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any one of the Chairman, the Executive Director and the Treasurer of the Authority, and each of them, and any designee of any of them (each, an "Authorized Officer" and collectively, the "Authorized Officers"), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture, with such insertions and changes as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

Section 4. The Authority hereby approves the Installment Agreement, in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Installment Agreement, with such insertions and changes as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

Section 5. The Authority hereby authorizes the sale of the Bonds to Hilltop Securities Inc., as underwriter (the "Underwriter") pursuant to and in accordance with the Bond Purchase Contract, in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Contract, with such insertions and changes as may be approved by the Authorized 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 Bond Purchase Contract shall not exceed 1.25% of the aggregate principal amount thereof, exclusive of original issue discount. The true interest cost on the Bonds shall not exceed 3.75%.

Section 6. The Authority hereby approves the form of the Preliminary Official Statement (the "Preliminary Official Statement"), in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting, with such changes and modifications as shall be necessary or appropriate for completion to the satisfaction of any Authorized Officer. Any one of the Authorized Officers is authorized and directed, on behalf of the Authority to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities and Exchange Act of 1934. The Authority further approves distribution of the Preliminary Official Statement by the Underwriter to persons who may be interested in purchasing the Bonds. Any one of the Authorized Officers is authorized and directed to execute and deliver a final Official Statement in substantially the form of the Preliminary Official Statement hereby approved, with such additions thereto and changes therein as are consistent with this Resolution and recommended or approved by disclosure counsel to the Authority and approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the Authority, to evaluate and select one or more municipal bond insurers for all or any portion of the Bonds and to execute and deliver such contracts and agreements with such bond insurers as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

Section 8. The Authority hereby appoints Urban Futures, Inc. as Municipal Advisor, Hilltop Securities Inc. as Underwriter, Norton Rose Fulbright US LLP as Bond Counsel and Richard, Watson & Gershon, A Professional Corporation, as Disclosure Counsel in connection with the issuance of the Bonds.

Section 9. The Authorized Officers, the other officers and employees of the Authority, the members of the Authority's Board of Directors, Bond Counsel, Disclosure Counsel and the other consultants to and agents of the Authority, are each hereby authorized and directed to do all things and take all actions necessary or desirable to effectuate the transactions contemplated by this Resolution, and to execute such other assignments, agreements, certificates, receipts, endorsements, orders, opinions and other documents in connection with such transactions, including, without limitation, closing documents in connection with the issuance of the Bonds, and all actions heretofore taken by the officers, employees and agents of the Authority in connection with the issuance of the Bonds are hereby ratified, approved and confirmed in every respect.

Section 10. This Resolution shall become effective immediately upon adoption.

PASSED, APPROVED, and ADOPTED this 13th day of September, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, CMC
Secretary
Lancaster Financing Authority

R. REX PARRIS
Chairman
Lancaster Financing Authority

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

CERTIFICATION OF RESOLUTION
LANCASTER FINANCING AUTHORITY

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. FA 02-16, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)
