

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9318-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF AN INDENTURE OF TRUST, A BOND PURCHASE CONTRACT AND AN ESCROW AGREEMENT IN CONNECTION WITH THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 2015, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,500,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City of Garden Grove, California (the "City") is a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California;

WHEREAS, the City previously refinanced a portion of the costs of the acquisition, construction and installation of certain capital improvements to its water system, as set forth in the 2004 Installment Purchase Agreement described below (the "2004 Project");

WHEREAS, in order to accomplish such refinancing, the City caused the execution and delivery of the Garden Grove Public Financing Authority Refunding Revenue Certificates of Participation (Water Services Capital Improvement Program) Series 2004 (the "2004 Certificates"), which are payable from installments payments to be made by the City under the Installment Purchase Agreement, dated as of May 1, 2004 (the "2004 Installment Purchase Agreement"), by and between the City and the Garden Grove Public Financing Authority (the "Authority");

WHEREAS, the City desires to refinance all or a portion of the 2004 Project originally refinanced with the proceeds of the 2004 Certificates;

WHEREAS, the City previously entered into that certain Installment Purchase Agreement, dated as of May 1, 2010 (the "2010 Installment Purchase Agreement"), by and between the City and the Authority;

WHEREAS, the City has determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the "City of Garden Grove Water Revenue Refunding Bonds, Series 2015" (the "Bonds") on a parity with the 2010 Installment Purchase Agreement for the purpose of refunding the 2004 Certificates;

WHEREAS, the Bonds would be issued pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583;

WHEREAS, in order to facilitate the issuance of the Bonds, the City desires to enter into an Indenture of Trust (the "Indenture of Trust") with U.S. Bank National

Association (the "Trustee"), pursuant to which the Bonds will be issued and secured from revenues of the City's water system;

WHEREAS, the City has determined that debt service savings can be achieved by the prepayment and defeasance of the 2004 Certificates pursuant to an Escrow Agreement (the "Escrow Agreement") with U.S. Bank National Association, the trustee for the 2004 Certificates;

WHEREAS, the District has been presented with a term sheet from JPMorgan Chase Bank, N.A. (the "Bank") pursuant to which the Bank would agree to purchase the Bonds pursuant to a private placement;

WHEREAS, the City desires to enter into a Bond Purchase Contract (the "Bond Purchase Contract") with the Bank pursuant to which the Bank will purchase the Bonds;

WHEREAS, the City has determined that a private placement sale of the Bonds to the Bank will result in a lower overall cost to the City than a public sale;

WHEREAS, the City Council has been presented with the form of each document referred to herein relating to the refinancing contemplated hereby, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing; 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 refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, as follows:

Section 1. Each of the above recitals is true and correct.

Section 2. The forms of the Indenture of Trust, Bond Purchase Contract and Escrow Agreement on file with the City Clerk are hereby approved, and the Mayor of the City, the Mayor Pro Tempore of the City or such other member of the City Council as the Mayor may designate, the City Manager of the City, the Assistant City Manager of the City and the Finance Director of the City (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture of Trust, Bond Purchase Contract and Escrow Agreement in substantially said forms, with such changes, insertions and omissions

therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The issuance of the Bonds is hereby approved, and the Mayor of the City, the Mayor Pro Tempore of the City and the City Clerk are each hereby authorized and directed, for and in the name and on behalf of the City, to cause the issuance of the Bonds on a parity with the 2010 Installment Purchase Agreement in substantially the form set forth as an exhibit to the Indenture of Trust, with such changes, insertions and omissions therein as the party executing the same may require or approve, such approval to be conclusively evidenced by the issuance thereof; provided, however, that: (i) the City shall realize savings of at least 3.00% net present value by refunding the 2004 Certificates; (ii) the aggregate principal amount of the Bonds shall not exceed \$8,500,000; (iii) the final maturity of the Bonds shall be no later than December 15, 2023; and (iv) the true interest cost applicable to the Bonds shall not exceed 3.00% per annum, and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established pursuant to the Bond Purchase Contract and the Indenture.

Section 4. The Authorized Officers and other officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, the execution of a rate lock agreement with the Bank and the execution and delivery of instructions to the Trustee relating to the notices of prepayment and defeasance of the 2004 Certificates. All actions heretofore taken by the Authorized Officers and other officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 5. This Resolution shall take effect from and after its date of adoption.

Adopted this 22nd day of September 2015.

ATTEST:

/s/ STEVEN R. JONES
MAYOR PRO TEM

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

