

**RESOLUTION NO. 2021-06**

**A RESOLUTION OF THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT  
AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, AND AUTHORIZING AND  
DIRECTING CERTAIN ACTIONS IN CONNECTION WITH THE REFINANCING OF PRIOR OBLIGATIONS**

WHEREAS, the Phelan Pinon Hills Community Services District (the "District") is a community services district duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, in order to finance improvements to the District's water system, the District previously incurred the following obligations (collectively, the "Prior Obligations"):

(a) Enterprise Fund Installment Sale Agreement, CIEDB-02-033, by and between CIEDB and the County of San Bernardino Acting on Behalf of County Service Area 70, Improvement Zone L, dated December 17, 2002, as amended by that certain First Amendment to Enterprise Fund Installment Sale Agreement dated January 1, 2005, as amended by that certain Second Amendment to Enterprise Fund Installment Sale Agreement dated January 1, 2006, as amended by that certain Third Amendment to Enterprise Fund Installment Sale Agreement dated November 17, 2006, as amended by that certain Fourth Amendment to Enterprise Fund Installment Sale Agreement dated October 2, 2011 (collectively, the "2002 Agreement"). As of August 18, 2008, the District assumed all rights and obligations of the County of San Bernardino Acting on Behalf of County Service Area 70, Improvement Zone L, under the 2002 Agreement; and

(b) Installment Sale Agreement dated as of September 26, 2014 between the Corporation and the District; and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed to enter into a Loan Agreement (the "Loan Agreement") with the District to prepay and refinance the Prior Obligations; and

WHEREAS, the District is authorized to borrow amounts for the purpose of refinancing the Prior Obligations under the laws of the State of California, including the provisions of Section 53570 of the California Government Code; and

WHEREAS, in accordance with California Government Code Section 5852.1, the Board of Directors has obtained and disclosed in the information set forth in Exhibit A hereto;

NOW, THEREFORE, it is resolved by the Board of Directors of the Phelan Pinon Hills Community Services District as follows:

**SECTION 1. Loan Agreement.** The form of Loan Agreement submitted to this meeting, on file with the Secretary, and made a part hereof as though set forth herein is hereby approved. The President of the Board of Directors, the General Manager or a designee in writing (each, an "Authorized Officer") is hereby authorized to execute and deliver the Loan Agreement with the Corporation to refinance the Prior Obligations, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of District Counsel, and the execution thereof by an

Authorized Officer shall be conclusive evidence of such approval. In connection therewith, the District approves the execution and delivery of the Loan Agreement so long as the interest rate of the Loan Repayments (as defined in the Loan Agreement) does not exceed 2.80%, the principal amount of the Loan Repayments does not exceed \$5,600,000.00 and the maturity of the Loan Repayments does not exceed August 1, 2034.

SECTION 2. Other Actions. The President of the Board of Directors, the General Manager and other officers of the District are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Loan Agreement, including providing notice of prepayment and redemption of the Prior Obligations. Such actions are hereby ratified, confirmed and approved.

SECTION 3. Qualified Tax-Exempt Obligations. The Loan is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with all subordinate entities of the District, do not reasonably expect to issue during the calendar year in which the Loan is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 4. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 5th day of May, 2021, by the following vote:

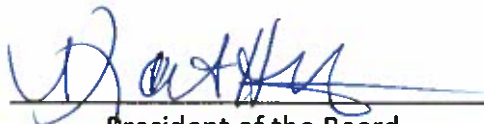
AYES: Hoffman, Johnson, Kujawa, Philips, Roberts

NOES:

ABSTENTIONS:

ABSENT:

Approved:

  
\_\_\_\_\_  
President of the Board

Attest:

  
\_\_\_\_\_  
Secretary of the Board

## **EXHIBIT A**

### **GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by the Corporation, which have been provided to the District in good faith:

- (A) True interest cost of the Loan: 2.75%
- (B) Finance charge of the Loan (sum of all costs of issuance and fees/charges paid to third parties): \$25,000.00
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$5,549,369.30
- (D) Total payment amount through maturity: \$6,593,997.38