

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA AUTHORIZING THE ISSUANCE OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 111 (MONTERADO) SPECIAL TAX BONDS, SERIES 2024, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City Council (the “City Council”) of the City of Fontana (the “City”) has formed City of Fontana Community Facilities District No. 111 (Monterado) (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy a special tax (the “Special Tax”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Tax;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District proposes to issue its City of Fontana Community Facilities District No. 111 (Monterado) Special Tax Bonds, Series 2024 (the “Series 2024 Bonds”), in the aggregate principal amount of not to exceed \$8,000,000;

WHEREAS, in order to provide for the authentication and delivery of the Series 2024 Bonds, to establish and declare the terms and conditions upon which the Series 2024 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Series 2024 Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Series 2024 Bonds, the underwriter thereof must have reasonably determined that the Community Facilities District, as

the issuer of the Series 2024 Bonds, has undertaken in a written agreement or contract for the benefit of the holders of the Series 2024 Bonds to provide disclosure of certain financial information and certain listed events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the Community Facilities District desires to enter into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association, in its capacity as Trustee and in its capacity as dissemination agent thereunder (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2024 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Agreement; and
- (d) the Preliminary Official Statement;

WHEREAS, Kitty Siino & Associates, Inc. has prepared and provided to the Community Facilities District an appraisal report, dated April 15, 2024 (the “Appraisal”), providing an opinion of value of the property in the Community Facilities District, which has been submitted to this meeting;

WHEREAS, Section 5852.1 of the California Government Code requires that the City Council obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Series 2024 Bonds, good faith estimates of (a) the true interest cost of the Series 2024 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2024 Bonds, (c) the amount of proceeds of the Series 2024 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2024 Bonds, and (d) the sum total of all debt service payments on the Series 2024 Bonds calculated to the final maturity of the Series 2024 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2024 Bonds;

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the City Council has obtained from CSG Advisors Incorporated, as the Community Facilities District’s municipal advisor (the “Municipal Advisor”), the required good faith estimates, which the Municipal Advisor has prepared in consultation with the Underwriter, and such estimates are disclosed and set forth in Exhibit A attached hereto;

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Series 2024 Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Series 2024 Bonds; and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fontana, as follows:

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

Section 2. Subject to the provisions of Section 3 hereof, the issuance of the Series 2024 Bonds, in an aggregate principal amount of not to exceed \$8,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, be and the same is hereby authorized and approved. The Series 2024 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 3. The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Mayor of the City, and such other member of the City Council as the Mayor may designate, the City Manager of the City, the Chief Financial Officer, Finance Department, of the City and such other officer or employee of the City as the City Manager may designate (the “Authorized Officers”) is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2024 Bonds in excess of \$8,000,000, shall not result in a final maturity date of the Series 2024 Bonds later than September 1, 2055 and shall not result in a true interest cost for the Series 2024 Bonds in excess of 6.50%.

Section 4. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter’s discount (not including any original issue discount) from the principal amount of the Series 2024 Bonds in excess of 1.50% of the aggregate principal amount of the Series 2024 Bonds. The City Council hereby finds and determines that the sale of the Series

2024 Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 5. The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

Section 6. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2024 Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, to certify on behalf of the Community Facilities District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 7. The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Series 2024 Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

Section 8. Based upon the value of the property within the Community Facilities District reported in the Appraisal and the value-to-lien information for such property set forth in the Preliminary Official Statement, the City Council, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Series 2024 Bonds will be at least three times the principal amount of the Series 2024 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 9. The City Council hereby waives the provisions of the City of Fontana Community Facilities and Assessment District Policy for the Provision of Public Facilities and Services (Operation and Maintenance) and Fee Deferrals in Proposed Development Projects that are inconsistent or in conflict with the offering, issuance and sale of the Series 2024 Bonds and the financing of the Facilities as approved and authorized hereby. In the judgment of the City Council, additional benefit inures to the ultimate property owners, the Community Facilities District and/or the City as a result of such waiver.

Section 10. The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 11. All actions heretofore taken by the officers, employees and agents of the City with respect to the issuance and sale of the Series 2024 Bonds, or in connection with or related to any of the agreements, documents, certificates or instruments referred to herein, are hereby approved, confirmed and ratified.

Section 12. The Authorized Officers and the officers, employees and agents of the City are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District to take all actions and do any and all things and to execute and deliver any and all agreements, documents, certificates or instruments that they, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution not inconsistent with the provisions hereof.

Section 13. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED the 23rd day of April, 2024.

Mayor

ATTEST:

City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Series 2024 Bonds in accordance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the Community Facilities District by the Municipal Advisor, which the Municipal Advisor has prepared in consultation with the Underwriter.

Principal Amount. The Municipal Advisor has informed the Community Facilities District that, based on the Community Facilities District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2024 Bonds to be issued and sold is \$7,665,000 (the "Estimated Principal Amount"), plus approximately \$131,000 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds. Such Estimated Principal Amount plus such estimated net premium amount would produce approximately \$7,796,000 of gross proceeds.

True Interest Cost of the Series 2024 Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2024 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2024 Bonds, is 4.94%.

Finance Charge of the Series 2024 Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2024 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2024 Bonds), is \$381,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Community Facilities District for sale of the Series 2024 Bonds, less the finance charge of the Series 2024 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2024 Bonds, is \$6,910,453.

Total Payment Amount. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2024 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Community Facilities District will make to pay debt service on the Series 2024 Bonds, plus the finance charge for the Series 2024 Bonds, as described above, not paid with the proceeds of the Series 2024 Bonds, calculated to the final maturity of the Series 2024 Bonds, is \$14,900,000,

which excludes any reserves or capitalized interest funded or paid with proceeds of the Series 2024 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Series 2024 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2024 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2024 Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2024 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2024 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Community Facilities District's financing plan, or a combination of such factors. The actual date of sale of the Series 2024 Bonds and the actual principal amount of Series 2024 Bonds issued and sold will be determined by the Community Facilities District based on the timing of the need for proceeds of the Series 2024 Bonds and other factors. The actual interest rates borne by the Series 2024 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2024 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Community Facilities District.

CITY OF FONTANA)
COUNTY OF SAN BERNARDINO)
STATE OF CALIFORNIA)

I, Germaine Key, City Clerk of the City of Fontana, California, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on April 23, 2024, by the following vote to-wit:

AYES:

NOES:

ABSENT:

City Clerk

Mayor

ATTEST:

City Clerk