

**RESOLUTION NO. 04-04**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS**  
**APPROVING ISSUANCE AND SALE OF CERTIFICATES OF**  
**PARTICIPATION AND APPROVING RELATED DOCUMENTS AND**  
**ACTIONS**

**WHEREAS**, The City of Los Altos (the "City"), Santa Clara County, California, has previously financed the acquisition and construction of municipal facilities and properties from the proceeds of Certificates of Participation (ABAG 38), dated as of November 6, 1996 executed and delivered in the original, aggregate principal amount of \$2,630,000 (the "Prior Certificates");

**WHEREAS**, due to favorable interest conditions in the municipal bond market the City has determined it is in the best interests of the City at this time to refinance its remaining obligations with respect to the Prior Certificates;

**WHEREAS**, the City proposes to refinance the Prior Certificates from the proceeds of a new issue of certificates of participation designated "City of Los Altos, 2004 Refunding Certificates of Participation," in the maximum principal amount of \$2,625,000 (the "Certificates") and the City Council wishes at this time to approve the issuance and sale of the Certificates and all documents relating thereto;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Los Altos, as follows:

**Section 1. Approval of Financing Plan and Related Documents.** The City Council approves the refinancing of the Prior Certificates as outlined above. To that end, the City Council approves each of the following financing documents in substantially the respective forms on file with the City, together with any changes therein or additions thereto deemed advisable and approved by the City Manager or the Finance Director (each an "Authorized Officer"), whose execution thereof shall be conclusive evidence of such approval:

- (a) **Site Lease** between the City and the Public Property Financing Corporation of California (the "Corporation") whereby the City, as lessor, leases certain property and improvements (the "Leased Property") to the Corporation, as lessee;
- (b) **Lease Agreement** between the as Corporation lessor and the City as lessee, whereby the Corporation leases the Leased Property back to the City the purpose of making lease payments to support the refinancing of the Prior Certificates;
- (c) **Trust Agreement** among the City, the Corporation and Union Bank of California, N.A., as trustee (the "Trustee"), whereby the Trustee agrees to execute and deliver the Certificates and to apply the proceeds of the Certificates for the purpose of refinancing the Prior Certificates; and
- (d) **Certificate Purchase Agreement** between the City and Brandis Tallman, LLC (the "Underwriter"), whereby the City sells and the Underwriter purchases the Certificates.

The Authorized Officer is authorized and directed on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of each of the foregoing documents, provided that the total principal amount of the Certificates does not exceed \$2,625,000, the net interest cost does not exceed 5.20% per annum and the total discount does not exceed 1.3% of the principal amount. The schedule of lease payments attached to the Lease Agreement shall correspond to the payments of principal and interest represented by the Certificates, to be determined upon the sale thereof as set forth in Section 2.

**Section 2. Sale of the Certificates.** The City Council hereby approves the sale of the Certificates to the Underwriter pursuant to the provisions of Certificate Purchase Agreement which the Authorized Officer is authorized and directed to execute for the City subject to the conditions in Section 1 above.

**Section 3. Official Statement.** The City Council hereby approves the preliminary Official Statement describing the Bonds, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto necessary or convenient to cause the preliminary Official Statement to describe accurately matters pertaining to the Certificates and the Authorized Officer is authorized and directed on behalf of the Corporation to review the final form of preliminary Official Statement and to deem the preliminary Official Statement "near final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, prior to its distribution by the original purchaser of the Certificates. The Financial Advisor (as defined below) and the original purchaser of the Bonds at public sale are hereby authorized to distribute the "near final" preliminary Official Statement in connection with the marketing of the Bonds. The Authorized Officer is hereby authorized and directed to approve any changes in or additions to the final form of such Official Statement as deemed advisable to cause the final Official Statement to describe accurately the Bonds and matters contained in the Sale Documents, the Lease Agreement, the Trust Agreement and the related proceedings and actions, and to execute (or to cause to be so executed by the written designee of such officer) the final Official Statement for and in the name and on behalf of the City.

**Section 4. Professional Services.** In connection with the issuance and sale of the Certificates, the City Council approves the engagement of Jones Hall, A Professional Law Corporation, San Francisco, as bond counsel and disclosure counsel. The Authorized Officer is hereby authorized and directed enter into an appropriate agreement with each such firm on behalf of the City, provided that the fees payable to such firm shall be entirely contingent upon the successful issuance, sale and delivery of the Certificates.

**Section 5. Official Actions.** The Mayor, the Authorized Officers, the City Clerk, the City Attorney and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the City is authorized to execute or countersign any document or take any action, 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 6. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

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I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the City Council of the City of Los Altos, California, at a meeting thereof held on the 10<sup>th</sup> day of February 2004, by the following vote of members thereof:

AYES: COLE, PACKARD, CASAS, LEAR, MOSS  
NOES: NONE  
ABSENT: NONE



John Moss, Mayor



Susan Kitchens, City Clerk