

RESOLUTION NO. 32/2013

**A RESOLUTION OF THE TOWN COUNCIL OF
THE TOWN OF CORTE MADERA
PROVIDING FOR THE BORROWING OF FUNDS FOR FISCAL YEAR 2013-14
AND THE ISSUANCE AND SALE OF 2013-14 TAX AND REVENUE
ANTICIPATION NOTES IN AN AMOUNT NOT TO EXCEED \$2,500,000
THEREFOR**

THE TOWN COUNCIL OF THE TOWN OF CORTE MADERA, CALIFORNIA (the "TOWN") DOES RESOLVE AS FOLLOWS:

WHEREAS, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), this Town Council (the "Council") has found and determined that moneys are needed for the requirements of the Town, a municipal corporation and general law city duly organized and existing under the laws of the State of California, to satisfy obligations payable from the General Fund of the Town (the "General Fund"), and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the Town for the General Fund during or allocable to the fiscal year of the Town beginning July 1, 2013 and ending June 30, 2014 ("Fiscal Year 2013-14");

NOW, THEREFORE, it is hereby DETERMINED and ORDERED as follows:

Section 1. Limitation on Maximum Amount. The principal amount of notes issued pursuant hereto, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the Town for the General Fund attributable to Fiscal Year 2013-14, and available for the payment of said notes and the interest thereon (as hereinafter provided).

Section 2. Authorization and Terms of Notes. Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the Town for the General Fund during or allocable to Fiscal Year 2013-14, and not pursuant to any common plan of financing, the Town hereby determines to and shall borrow the principal amount of not-to-exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) by the issuance of temporary notes under the Law, designated "Town of Corte Madera, California 2013-14 Tax and Revenue Anticipation Notes" (the "Notes"). The Notes shall be dated the date of initial delivery, shall mature (without option of prior redemption) no later than thirteen months after their date of issuance, and shall bear interest, payable at maturity and computed on a 30-day month/360-day year basis, at a rate not in excess of five percent per annum. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America, as described below.

Section 3. Form of Notes; Book Entry Only System. The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be

filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward in order of issuance, shall be in the denomination of \$5,000 each or any integral multiple thereof.

"CUSIP" identification numbers shall be imprinted on the Notes, but such numbers shall not constitute a part of the contract evidenced by the Notes and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Notes. In addition, failure on the part of the Town to use such CUSIP numbers in any notice to the registered owners of the Notes shall not constitute an event of default or any violation of the Town's contract with such owners and shall not impair the effectiveness of any such notice.

Except as provided below, the owner of all of the Notes shall be The Depository Trust Company, New York, New York ("DTC"), and the Notes shall be registered in the name of Cede & Co., as nominee for DTC. The Notes shall be initially executed and delivered in the form of a single fully registered Note in the full aggregate principal amount of the Notes. The Town may treat DTC (or its nominee) as the sole and exclusive owner of the Notes registered in its name for all purposes of this Resolution, and the Town shall not be affected by any notice to the contrary. The Town shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the Notes under or through DTC or a Participant (a "Beneficial Owner"), or any other person not shown on the register of the Town as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Notes. The Town shall pay all principal and interest with respect to the Notes only to DTC or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to the principal and interest with respect to the Notes to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Note. Upon delivery by DTC to the Town of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the Town determines that it is in the best interest of the Beneficial Owners that they be able to obtain Notes and delivers a written certificate to DTC to that effect, DTC shall notify the Participants of the availability through DTC of Notes. In such event, the Town shall issue, transfer and exchange Notes as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Town shall be obligated to deliver Notes to the Beneficial Owners as described in this Resolution. Whenever DTC requests the Town to do so, the Town will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Notes evidencing the Notes to any DTC Participant having Notes credited to its DTC account or (b) arrange for another securities depository to maintain custody of Certificates evidencing the Notes.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Note and all notices with respect to such Note shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Notes.

Section 4. Use of Proceeds. The proceeds of the sale of the Notes shall be deposited in a segregated account in the General Fund and used and expended by the Town for any purpose for which it is authorized to expend funds from the General Fund.

Section 5. Security. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the Town for the General Fund for Fiscal Year 2013-14. As security for the payment of the principal of and interest on the Notes the Town hereby pledges the first "unrestricted moneys" (as hereinafter defined) to be received by the Town (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January, 2014; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2014; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2014 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the Town lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the Town to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the Town lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund for Fiscal Year 2013-14 and which are generally available for the payment of current expenses and other obligations of the Town.

Section 6. Special Account. There is hereby created, within the General Fund, a special account to be designated the "2013-14 Tax and Revenue Anticipation Note Special Account" (the "Special Account") and applied as directed in this Resolution. Any money placed in the Special Account shall be for the benefit of the owners of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Special Account shall be applied solely for the purposes for which the Special Account is created.

During the months of January, May and June, 2014, the Town shall deposit all Pledged Revenues in the Special Account. On the maturity date of the Notes, the Town shall transfer to DTC the moneys in the Special Account necessary to pay the principal of and interest on the Notes at maturity and to the extent said moneys are insufficient therefor an amount of moneys from the General Fund which will enable payment of the full principal of and interest on the Notes at maturity. DTC will thereupon make payments of principal of and interest on the Notes to the DTC Participants who will thereupon make payments to the Beneficial Owners of the Notes. Any moneys remaining in the Special Account after the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund.

Section 7. Deposit and Investment of Special Account. All moneys held by the Town in the Special Account, if not invested, shall be held in time or demand deposits as public funds and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Special Account shall, to the greatest extent possible, be invested by the Town directly, or through an investment agreement, in investments as permitted by the laws of the State of California as now in effect and as hereafter amended, and the proceeds of any such investments shall be deposited in the Special Account.

Section 8. Execution of Notes. The Mayor of the Town, the Town Manager, or the Director of Administrative Services/Town Treasurer (each an "Authorized Officer") is hereby authorized to execute the Notes by manual or facsimile signature, and the Town Clerk (or a Deputy Town Clerk, in the Town Clerk's absence) (the "Town Clerk") of the Town is hereby authorized to countersign the same by manual or facsimile signature (although at least one of such signatures shall be manual) and to affix the seal of the Town thereto by facsimile impression thereof, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate.

Section 9. Transfer of Notes. Any Note may, in accordance with its terms, but only if the Town determines to no longer maintain the book entry only status of the Notes, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the Town to deliver Note certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of Section 11 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation at the office of the Town Clerk, accompanied by delivery of a written instrument of transfer in a form approved by the Town, duly executed.

Whenever any Note or Notes shall be surrendered for transfer, the Town shall execute and the Paying Agent shall authenticate and deliver a new Note or Notes, for like aggregate principal amount.

Section 10. Exchange of Notes. Any Note may, in accordance with its terms, but only if the Town determines to no longer maintain the book entry only status of the Notes, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the Town to deliver Note certificates to particular DTC Participants, be exchanged at the office of the Town Clerk for a like aggregate principal amount of Notes of authorized denominations and of the same maturity.

Section 11. Note Register. The Town shall keep or cause to be kept sufficient books for the registration and transfer of the Notes if the book entry only system is no longer in effect and, in such case, the Town Clerk shall register or transfer or cause to be registered or transferred, on said books, Notes as herein before provided. While the book entry only system is in effect, such books need not be kept as the Notes will be represented by one Note registered in the name of Cede & Co., as nominee for DTC.

Section 12. Temporary Notes. The Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. The temporary Notes may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Town, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Note shall be executed by the Town upon the same conditions and in substantially the same manner as the definitive Notes. If the Town issues temporary Notes it will execute and furnish definitive Notes without delay, and thereupon the temporary Notes may be surrendered, for cancellation, in exchange therefor at the office of the Town Clerk and the Town Clerk shall deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged, the

temporary Notes shall be entitled to the same benefits pursuant to this Resolution as definitive Notes executed and delivered hereunder.

Section 13. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated the Town, at the expense of the owner of said Note, shall execute and deliver a new Note of like maturity and principal amount in exchange and substitution for the Note so mutilated, but only upon surrender to the Town Clerk of the Note so mutilated. Every mutilated Note so surrendered to the Town Clerk shall be canceled and delivered to, or upon the order of, the Town. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Town and, if such evidence be satisfactory to the Town and indemnity satisfactory to it shall be given, the Town, at the expense of the owner, shall execute and deliver a new Note of like maturity and principal amount in lieu of and in substitution for the Note so lost, destroyed or stolen. The Town may require payment of a sum not exceeding the actual cost of preparing each new Note issued under this Section 13 and of the expenses which may be incurred by the Town in the premises. Any Note issued under the provisions of this Section 13 in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Town whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Notes issued pursuant to this Resolution.

Section 14. Covenants and Warranties. It is hereby covenanted and warranted by the Town that all representations and recitals contained in this Resolution are true and correct, and that the Town and its appropriate officials have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the prompt collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution.

Section 15. Tax Covenants.

(a) *No Arbitrage.* The Town shall not take, nor permit nor suffer to be taken any action with respect to the proceeds of the Notes which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Notes (the "Closing Date") would have caused the Notes to be "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986 (the "Code").

(b) *Rebate Requirement.* The Town shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government.

(c) *Private Activity Note Limitation.* The Town shall assure that proceeds of the Notes are not so used as to cause the Notes to satisfy the private business tests of section 141(b) of the Code.

(d) *Private Loan Financing Limitation.* The Town shall assure that proceeds of the Notes are not so used as to cause the Notes to satisfy the private loan financing test of section 141(c) of the Code.

(e) *Federal Guarantee Prohibition.* The Town shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Notes to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(f) *Maintenance of Tax-Exemption.* The Town shall take all actions necessary to assure the exclusion of interest on the Notes from the gross income of the owners of the Notes to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 16. Official Statement. The Town Council hereby approves the Official Statement describing the Notes, in substantially the form on file with the Town Clerk, together with any changes therein or additions thereto deemed advisable by the Authorized Officer, including the insertion of the Town's most recent financial and budget information and the Town's most recent audited financial statements. The Town Council authorizes and directs the Authorized Officer on behalf of the Town to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Official Statement prior to its distribution by the financial advisors to the Town. The execution of the Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer and such information permitted to be excluded from the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the Town.

The Authorized Officer is authorized and directed to execute the Official Statement and a statement that the facts contained in the Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Notes, true and correct in all material respects and that the Official Statement did not, on the date of sale of the Notes, and does not, as of the date of delivery of the Notes, contain any untrue statement of a material fact with respect to the Town or omit to state material facts with respect to the Town required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Authorized Officer shall take such further actions prior to the signing of the Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The Official Statement is approved for distribution in the offering and sale of the Notes.

Section 17. Sale of Notes. An underwriter (the "Underwriter") to be designated by an Authorized Officer will purchase the Notes. A form of Contract of Purchase (the "Contract of Purchase") has been submitted for the Council's review. The form of Contract of Purchase is hereby approved and the Authorized Officer is hereby authorized to execute and deliver a Contract of Purchase, substantially in the form submitted to and on file with the Town Clerk, but with such changes therein, deletions therefrom, and modifications thereto (including designation of the Underwriter) as the Authorized Officer shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Notes shall not exceed six percent per annum. The Authorized Officer is further authorized to determine the maximum principal amount of Notes to be specified in the Contract of Purchase not to exceed \$2,500,000 and to enter into and execute the Contract of Purchase with the Underwriter, if the conditions set forth in this Resolution are satisfied.

Section 18. Engagement of Professional Services. The Town hereby approves the engagement of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel and NHA Advisors, as Financial Advisor to the Town in connection with the issuance and sale of the Notes.

Section 19. Preparation of Notes; Official Action. Jones Hall, A Professional Law Corporation, as Bond Counsel, is directed to cause suitable Notes to be prepared showing on their face that the same bear interest at the rate specified in the offer submitted by the successful bidder or bidders, and to cause the blank spaces therein to be filled in to comply with the provisions of this Resolution, and to procure their execution by the proper officers, and to cause the Notes to be delivered when so executed to DTC on behalf of the successful bidder or bidders therefor upon the receipt of the purchase price by the Town Treasurer in accordance with such successful bid or bids.

The Mayor of the Town, the Town Manager, or the Director of Administrative Services/Town Treasurer and the Town Clerk, or any of them, are further authorized and directed to make, execute and deliver such certificates, agreements and other closing documents as are necessary to consummate the transactions contemplated by this Resolution.

Section 20. Small Issuer Exemption from Bank Nondeductibility Restriction. The Town hereby designates the Notes for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Notes, has been or will be issued by the Town, including all subordinate entities of the Town, during the calendar year 2013.

Section 21. Amendment. The Mayor of the Town, the Town Manager and the Director of Administrative Services/Town Treasurer are all authorized to make minor amendments to this Resolution in order to correct any mis-reference or misspelling contained herein. Such amendment shall be done by a certificate signed by the Mayor of the Town, the Town Manager and the Director of Administrative Services/Town Treasurer.

Section 22. Effective Date. This Resolution shall take effect upon its adoption.


NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Corte Madera hereby approves Resolution No. 32/2013 providing for the borrowing of funds for Fiscal year 2013-14 and the issuance and sale of the 2013-14 Tax and Revenue Anticipation Notes in the amount not to exceed \$2,500,000.

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 32/2013 duly passed and adopted by the Town Council of the Town of Corte Madera, at a meeting thereof duly held on the 17th day of September, 2013, by the following vote:

AYES: Councilmembers: Bailey, Condon, Lappert, Ravasio and Furst


NOES: None

ABSENT: None



Lisa Harper, Interim Town Clerk

APPROVED:



Diane Furst, Mayor