

## RESOLUTION NO. 17/2021

### RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CORTE MADERA AUTHORIZING DELIVERY AND SALE OF CERTIFICATES OF PARTICIPATION TO PROVIDE FINANCING FOR PUBLIC IMPROVEMENTS TO BE OWNED AND OPERATED BY THE TOWN, AND APPROVING RELATED DOCUMENTS AND ACTIONS

**WHEREAS**, the Town of Corte Madera (the "Town") wishes to finance the renovation and expansion of the Town Hall (the "Project"); and

**WHEREAS**, the Town previously caused execution and delivery of its \$9,420,000 Town of Corte Madera 2016 Federally Taxable Refunding Certificates of Participation (the "Certificates") to refinance a prior lease obligation, pursuant to a Trust Agreement, dated as of June 1, 2016 (the "Trust Agreement"), by and among the Town, the Public Property Financing Corporation of California (the "Corporation") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

**WHEREAS**, the Certificates represent direct, undivided fractional interests in certain lease payments made by the Town to the Corporation (the "Lease Payments") pursuant to a Lease Agreement, dated as of June 1, 2016 (the "Lease Agreement"), in consideration for the use and occupancy of certain property, consisting of (i) Park Madera Center, (ii) the firehouse and facilities commonly known as Station 13 and located at 5600 Paradise Drive and (iii) the Town Hall and Fire Safety buildings located at 300-342 Tamalpais Drive (the "Leased Property"); and

**WHEREAS**, appraisals of the Leased Property in 2015 concluded that the aggregate market value of the Leased Property was \$15,110,000, and staff estimates that the value of the Leased Property as of the date hereof is at least equal to that amount; and

**WHEREAS**, the Corporation assigned its right to receive the Lease Payments to the Trustee pursuant to an Assignment Agreement, dated as of June 1, 2016 (the "Assignment Agreement"); and

**WHEREAS**, Section 7.5(b) of the Lease Agreement authorizes the Corporation and the Town to amend the provisions of the Lease Agreement, without the consent of the Trustee or the owners of the Certificates, to obligate the Town to pay additional amounts of rental for the use and occupancy of the Leased Property, but only if (A) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which are applied to finance improvements to the Leased Property, and (B) the Town has filed with the Trustee written evidence that the amendments will not of themselves cause a reduction or withdrawal of any rating then assigned to the Certificates; and

**WHEREAS**, Section 9.01 of the Trust Agreement authorizes the amendment of the Trust Agreement, without the consent of the Owners of the Certificates, to conform to any amendments of the Lease Agreement that are permitted to be made under Section 7.5 of the Lease Agreement; and

**WHEREAS**, Section 9 of that certain Site Lease, dated as of June 1, 2016, between the Town and the Corporation (the "Site Lease") authorizes the Town and the Corporation to modify

the provisions of the Site Lease, without the consent of the Trustee or the Owners of the Certificates, for the purpose of conforming to the original intention of the Town and the Corporation, and as the Corporation and the Town deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Certificates; and

**WHEREAS**, in order to raise funds for the Project, the Town wishes to amend the Lease Agreement as described in the third preceding WHEREAS clause to provide for the payment of additional rental (the "Supplemental Lease Payments") for the use and occupancy of the Leased Property, and to make corresponding changes to the Trust Agreement, the Assignment Agreement and the Site Lease, as needed; and

**WHEREAS**, the Town will cause execution and delivery of the Town of Corte Madera 2021 Certificates of Participation (Town Hall Project) (the "2021 Certificates") under a Trust Agreement, by and among the Town, the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2021 Trustee"), and the 2021 Certificates will represent direct, undivided fractional interests in the Supplemental Lease Payments; and

**WHEREAS**, the Supplemental Lease Payments made by the Town under the Lease Agreement, as amended, will be assigned by the Corporation to the 2021 Trustee for the security of the 2021 Certificates under an Assignment Agreement between the Corporation as assignor and the 2021 Trustee as assignee; and

**WHEREAS**, in order to comply with Government Code Section 5852.1, certain information relating to the 2021 Certificates is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public.

**NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Corte Madera as follows:**

**Section 1. Findings.** The Town Council hereby finds that the recitals are true and correct. The Town Council further finds that the proposed amendments of the Site Lease conform to the original intention of the Town and the Corporation as set forth in Section 7.5 of the Lease Agreement and Section 9.01 of the Trust Agreement.

The Town Council further finds that the Town will continue to use and occupy the Town Hall for purposes of renovating/expanding Town Hall.

**Section 2. Approval of Financing Plan and Related Documents.** The Town Council hereby approves the financing plan outlined above. To that end, the Town Council hereby approves each of the following financing documents in substantially the respective forms on file with the Town Clerk, together with any changes therein or additions thereto approved by the Mayor, the Town Manager, the Assistant Town Manager or the Finance Director (each, an "Authorized Officer"):

- First Amendment and Supplement to Lease Agreement, between the Corporation and the Town, whereby the Town and the Corporation agree to amend and supplement the Lease Agreement to provide for payment of the Supplemental Lease Payments pursuant to Section 7.5(b)(iv) of the Lease Agreement.

- First Amendment to Site Lease, between the Town and the Corporation, whereby the Town and the Corporation agree to amend the Site Lease to reflect the amendments to the Lease Agreement.
- Trust Agreement, among the Town, the Corporation and the 2021 Trustee, whereby the 2021 Trustee agrees to execute and deliver the 2021 Certificates.
- Certificate Purchase Contract between the Town and the Underwriter, specifying the terms and conditions upon which the 2021 Certificates are to be sold to the Underwriter (as defined below).
- Continuing Disclosure Certificate, under which the Town will agree to provide annual disclosure of certain financial and operating data related to the Town and certain enumerated events.

Each Authorized Officer, acting alone, is hereby authorized and directed on behalf of the Town to execute the final form of each of the foregoing documents, and the Town Clerk is hereby authorized and directed to attest to the final form of each of the foregoing documents. Execution of each of the foregoing documents by an Authorized Officer shall be conclusive evidence of the approval of any changes therein or additions thereto by an Authorized Officer.

**Section 3. Sale of Certificates.** The Town Council hereby approves the sale of the 2021 Certificates by negotiation with Brandis Tallman, a Division of Oppenheimer & Co. Inc. (the "Underwriter"). The 2021 Certificates shall be sold to the Underwriter under the Certificate Purchase Contract in the form approved above. The Underwriter's discount excluding original issue discount, shall not exceed 0.60% of the par amount of the 2021 Certificates, and the true interest cost of the 2021 Certificates may not exceed 3.50%. The Town Council approves the sale in a not to exceed amount of \$7.5 million.

**Section 4. Official Statement.** The Town Council hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the 2021 Certificates in substantially the form on file with the Town Clerk. An Authorized Officer, each acting alone, are hereby authorized to execute an appropriate certificate stating the Town Council's determination that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Town Council hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the Town by an Authorized Officer.

**Section 5. Authorization to Obtain Municipal Bond Insurance.** The Town Council hereby authorizes an Authorized Officer to determine whether the 2021 Certificates are eligible for municipal bond insurance and a debt service reserve fund insurance policy and, if so, whether it is in the best interests of the Town to obtain such insurance. An Authorized Officer is hereby authorized to execute a commitment for such insurance and to take all actions required to implement the delivery of such municipal bond insurance policy.

**Section 6. Appointment of Professionals.** The following professionals are hereby appointed to provide services relating to the 2021 Certificates: Jones Hall, A Professional Law Corporation, as special counsel and disclosure counsel, and NHA Advisors, LLC, as municipal advisor. An Authorized Officer is hereby authorized to execute agreements for services with such professionals in substantially the forms presented at this meeting and on file with the Town Clerk.

**Section 7. Official Actions.** The Mayor, the Town Manager, Assistant Town Manager, the Finance Director, the Town Clerk, the Town Counsel, and all other officers of the Town, are authorized and directed in the name and on behalf of the Town to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution, including, but not limited to, any necessary amendments to the Trust Agreement. Whenever in this resolution any officer of the Town is directed 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 7. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

I hereby certify that the foregoing Resolution was passed and adopted by the Town Council of the Town of Corte Madera at a regular meeting thereof duly held on April 20, 2021, by a majority vote of all of its members.

Adopted by the following votes:

AYES: Councilmembers: Beckman, Casissa, Lee, Mongan, Ravasio

NOES: Councilmembers: - None -

ABSENT: Councilmembers: - None -

**TOWN OF CORTE MADERA**

By   
Eli Beckman, Mayor

ATTEST

By   
Rebecca Vaughn, Town Clerk

## APPENDIX A

### Government Code Section 5852.1 Disclosure

The following information consists of estimates that have been provided in good faith by the Town's Municipal Advisor:

- (A) True Interest Cost of the 2021 Certificates: 2.37%
- (B) Finance Charge of the 2021 Certificates (Sum of all fees/charges paid to third parties): \$208,472.70
- (C) Net Proceeds to be Received (net of finance charges, reserves and capitalized interest, if any): \$7,000,000.00
- (D) Total Payment Amount Through Maturity: \$9,082,081.67

The foregoing estimates constitute good faith estimates only. The principal amount of the 2021 Certificates, the true interest cost of the 2021 Certificates, 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 2021 Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Certificates sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the 2021 Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2021 Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Town's financing plan, or a combination of such factors. The actual date of sale of the 2021 Certificates and the actual principal amount of Certificates sold will be determined by the Town based on the timing of the need for proceeds of the 2021 Certificates and other factors. The actual interest rates borne by the 2021 Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the 2021 Certificates 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 Town.