

CITY OF SAUSALITO

RESOLUTION NO. ____

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE IMPLEMENTATION, OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO TO FINANCE CAPITAL IMPROVEMENTS TO THE CITY'S MLK CAMPUS AND ROBIN SWEENEY, SOUTHVIEW AND DUNPHY PARKS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the City Council (the "Council") of the City of Sausalito (the "City"), as follows:

WHEREAS, the City, with the assistance of the Sausalito Financing Authority (the "Authority"), has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to finance capital improvements to the City's MLK campus and Robin Sweeney, Southview and Dunphy Parks, including, but not limited to, site improvements, roofing, exterior enclosure, plumbing, electrical systems and equipment upgrades, and not less than \$1,000,000 of improvements at each of the parks (collectively, the "Project"), and to implement a lease financing for such purposes;

WHEREAS, on June 30, 2015, the Council approved the financing of the Project;

WHEREAS, based on certain questions that were raised in the community as to the validity of the Council approval provided on June 30, 2015, an advisory measure, known as Measure F, was placed on the November 3, 2015, ballot asking the voters of the City to provide their approval or disapproval of the financing plan;

WHEREAS, the financing plan was approved by 62.71% of the voters on November 3, 2015 (a simple majority was required for approval);

WHEREAS, it is in the public interest and for the public benefit that the Council authorize and direct implementation of the financing plan and the execution of the Lease Agreement (hereinafter defined) and certain other financing documents in connection therewith;

WHEREAS, a preliminary official statement containing information material to the offering and sale of the Certificates described below (the "Preliminary Official Statement") has been prepared on behalf of the City; and

WHEREAS, the documents below specified shall be filed with the City and the members of the Council, with the aid of its staff, shall review said documents.

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

Section 1. Certificates of Participation (2016 Financing Project) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined, to finance the Project.

Section 2. The below-enumerated documents, in the forms on file with the City Clerk, be and are hereby approved, and the Mayor, the City Manager or the Administrative Services Director, or the designee of any such official (each, a "Designated Officer"), are hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) a site and facility lease, by and between the City, as lessor, and the Authority, as lessee, pursuant to which the City will lease certain existing MLK campus property (the "Property") to the Authority, for the purpose of leasing the Property back to the City pursuant to the Lease Agreement (hereinafter defined);

(b) a lease agreement relating to the Property, between the Authority, as lessor, and the City, as lessee (the "Lease Agreement"), so long as the principal amount of the Lease Agreement is not greater than \$8,500,000, the true interest cost of the Lease Agreement does not exceed 4.50% and the term of the Lease Agreement does not extend beyond August 30, 2030;

(c) a trust agreement, by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the execution and delivery of the Certificates (the "Trust Agreement"); and

(d) a continuing disclosure certificate.

Section 3. A certificate purchase agreement, by and between Raymond James & Associates, Inc. (the "Underwriter") and the City, relating to the purchase by the Underwriter of the Certificates, in the form on file with the City Clerk (the "Certificate Purchase Agreement"), be and is hereby approved, and any Designated Officer is hereby authorized and directed to execute a Certificate Purchase Agreement, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriter's discount does not exceed 1% of the principal amount of the Certificates, exclusive of any original issue discount which does not represent compensation to the Underwriter.

Section 4. The Council hereby approves the Preliminary Official Statement, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by any Designated Officer. The Council authorizes and directs any Designated Officer to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Underwriter is hereby authorized to cause copies of the Preliminary Official Statement to be distributed to prospective investors.

Section 5. Any Designated Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final 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 Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City 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 Designated Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Designated Officer and such information permitted to be excluded from the Preliminary Official

Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the City.

Section 6. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

Section 7. The Mayor, the City Manager, the Administrative Services Director, the City Clerk and all other appropriate officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

Section 8. This Resolution shall take effect upon its adoption by this Board.

Section 9. The City Clerk shall certify to the adoption of this Resolution and provide for appropriate distribution thereof.

I, the undersigned hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Sausalito in a regular meeting assembled on the 1st day of December, 2015, by the following vote to wit:

YAES:

NOES:

ABSENT:

ABSTENTIONS:

City Clerk