

RESOLUTION NO. 2009-43

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS AUTHORIZING
ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS AND DIRECTING RELATED
ACTIONS**

BLUE OAK LANE SEWER ASSESSMENT DISTRICT

RESOLVED, by the City Council (the "Council") of the City of Los Altos (the "City"), State of California, that:

WHEREAS, on June 23, 2009, this Council adopted its Resolution of Intention to Make Acquisitions and Improvements (the "Resolution of Intention") under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Act") to initiate proceedings under the Act in and for the City's Blue Oak Lane Sewer Assessment District (the "Assessment District") for the making of certain public improvements (the "Improvements") as described in the Resolution of Intention;

WHEREAS, pursuant to the Resolution of Intention, this Council has provided for the issuance of improvement bonds pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the "Bond Law");

WHEREAS, this Council has directed City staff and consultants to give to the owners of all of the lands in the Assessment District notice of recordation of the assessments and the opportunity to pay all or a portion of their respective assessments during a period of at least 30 days, as required under the Bond Law (the "Cash Payment Period");

WHEREAS, there have been submitted to this Council certain documents providing for the issuance of improvement bonds for the Assessment District and the use of the proceeds of those improvement bonds to finance the Improvements, including the forms of Fiscal Agent Agreement, Bond Purchase Agreement, and Preliminary Official Statement, and this Council, with the aid of its staff, has reviewed those documents and found them to be in proper order;

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of said bonds and the levy of the special assessment as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Bond Law.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby orders as follows:

1. Unpaid Assessments. Following the end of the Cash Payment Period, any Authorized Officer (as defined below) is authorized and directed to determine the amount of the assessments that remain unpaid and complete and file a list of all assessments that remain unpaid (the "List of Unpaid Assessments") with the City's Finance Director. For a particular description of the lots, pieces and parcels of land bearing the respective assessment numbers to be set forth in the List of Unpaid Assessments, reference is hereby made to the Engineer's Report, the assessment and the assessment diagram, and any amendments thereto approved by this Council, all as recorded in the office of the City Engineer (as the City Superintendent of Streets).

2. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement (hereafter defined,) improvement bonds of the City for the Assessment District designated as "City of Los Altos Blue Oak Lane Sewer Assessment District Limited Obligation Improvement Bonds, Series 2009" (the "Bonds"), in an aggregate principal amount not to exceed \$662,880, are hereby authorized to be issued.

3. Fiscal Agent Agreement. The proposed form of Fiscal Agent Agreement (the "Fiscal Agent Agreement") with respect to the Bonds, by and between the City and Union Bank of California, N.A., as fiscal agent, in the form presented to this Council at this meeting, is hereby approved. The Mayor, City Manager, Finance Director, City Engineer, City Attorney, and their respective designees (each an "Authorized Officer") are hereby authorized and directed to execute and deliver the Fiscal Agent Agreement in substantially the form on file with the City Clerk, with such additions thereto or changes therein as are approved by an Authorized Officer upon consultation with the City Attorney and Bond Counsel, including such additions or changes as are necessary or advisable, provided, however, that no additions or changes may authorize an aggregate principal amount of Bonds in excess of \$662,880, result in an average annual interest rate on the Bonds in excess of 6.50%, result in an underwriter's discount in excess of 2.0% of the aggregate principal amount of the Bonds, or result in a maturity of the Bonds in excess of 39 years. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by the Authorized Officer. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreement as finally executed.

4. Bond Purchase Agreement. The proposed form of Bond Purchase Agreement between the City and Stone & Youngberg LLC, as the original purchaser of the Bonds (the "Underwriter"), is hereby approved and any Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the City, substantially in the form of the Bond Purchase Agreement on file with the City Clerk, with any changes, insertions and deletions as may be approved by any Authorized Officer in consultation with the City Attorney and Bond Counsel, such approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by an Authorized Officer, provided that the conditions set forth in Section 3 hereof are met.

5. Bonds Prepared and Delivered. Upon execution of the Bond Purchase Agreement by the City and the Underwriter, the Bonds shall be prepared, authenticated and delivered, all in accordance with the applicable terms of the Bond Purchase Agreement and the Fiscal Agent Agreement, and any Authorized Officer and other responsible City officials and staff are hereby authorized and directed to take such actions as are required under the Bond Purchase Agreement and the Fiscal Agent Agreement to complete all actions required to evidence the delivery of the Bonds upon the receipt of the purchase price thereof from the Underwriter.

6. Official Statement. This Council hereby approves the Preliminary Official Statement describing the Assessment District and the Bonds, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Authorized Officer in consultation with the City Attorney and Bond Counsel. Any Authorized Officer is hereby authorized and directed to provide written certification that the Preliminary Official Statement is "deemed final" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). This Council hereby approves the distribution of the Preliminary Official Statement by the Underwriter. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer, in consultation with the Underwriter and Bond Counsel, and such information permitted to be excluded from the Preliminary Official Statement under the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

7. **Actions.** All actions heretofore taken by the officers and agents of the City with respect to the establishment of the Assessment District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers and staff of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, contracts, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution, and any certificate, agreement, contract, and other document described in the documents herein approved.


8. **Effective Date.** This resolution shall be effective upon the date of its adoption.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 27th day of October, 2009 by the following vote:

AYES: Packard, Carpenter, Casas, Bicker, Satterlee
NOES: none
ABSENT: none
ABSTAIN: none


Megan Satterlee, MAYOR

Attest:


Susan Kitchens, CITY CLERK
10-27-09