RESOLUTION NO. 4352


WHEREAS, at an election held on June 6, 1995, the Town of San Anselmo (the "Town") submitted the following proposition to the registered voters of the Town:

For the purpose of the acquisition, construction and completion of (i) seismic and other capital improvements to the Town Library and (ii) capital improvements to various street and storm drains throughout the Town of San Anselmo, shall the Town of San Anselmo be authorized to issue general obligation bonds in the principal amount of ten million eight hundred thousand dollars ($10,800,000) as more particularly described in Ordinance No. 964?; and

WHEREAS, at least two-thirds of the votes cast on the proposition at the election were in favor; and

WHEREAS, pursuant to such authorization and a resolution adopted by the Town Council of the Town on January 14, 2003, on February 20, 2003, the Town issued its General Obligation Bonds, Series 2003 in the aggregate principal amount of $2,565,000 (the "Prior Bonds");

WHEREAS, the Prior Bonds were issued under a Paying Agent Agreement, dated as of February 1, 2003 (the "Prior Paying Agent Agreement"), by and between the Town and The Bank of New York Mellon Trust Company, N.A., successor in interest to BNY Western Trust Company (the "Prior Bonds Paying Agent"); and

WHEREAS, under Section 2.03(a) of the Prior Paying Agent Agreement, the Town is authorized to redeem the Prior Bonds in whole or in part on any date on or after August 1, 2012, at a redemption price equal to the outstanding principal amount of the Prior Bonds, plus interest accrued to the redemption date, without premium; and

WHEREAS, in order to realize debt service savings for the benefit of the taxpayers of the Town, the Town Council wishes at this time to authorize the issuance and sale of its Town of San Anselmo 2020 General Obligation Refunding Bonds (the "Refunding Bonds"), in an aggregate amount not to exceed $2,000,000, for the purpose of refinancing the outstanding Prior Bonds (such refunded bonds, the "Refunded Bonds"); and

WHEREAS, the Town Council is authorized to provide for the issuance and sale of the Refunding Bonds under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Bond Law"); and
WHEREAS, in order to comply with Government Code Section 5852.1, certain information relating to the Refunding Bonds is set forth in Appendix B attached to this Resolution, and such information is hereby disclosed and made public; and

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of San Anselmo, as follows:

ARTICLE I
DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.

“Bond Law” means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53550 of said Code, as amended from time to time.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the Town and the Underwriter, under which the Underwriter agrees to purchase the Refunding Bonds and pay the purchase price therefor.

“Closing Date” means the date upon which there is a physical delivery of the Refunding Bonds in exchange for the amount representing the purchase price of the Refunding Bonds by the Underwriter.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate which is executed and delivered by a Town Representative on the Closing Date.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Town and related to the authorization, issuance, sale and delivery of the Refunding Bonds and the refunding of the Refunded Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, fees and charges of Bond Counsel, disclosure counsel and other legal firms, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution and safekeeping of the Refunding Bonds and any other cost, charge or fee in connection with the original issuance of the Refunding Bonds and the refunding of the Refunded Bonds.

“Costs of Issuance Custody Agreement” means an agreement between the Town and the Costs of Issuance Custodian, dated the Closing Date, and providing for payment of the Costs of Issuance.
“Costs of Issuance Custodian” means The Bank of New York Mellon Trust Company, N.A., as custodian under the Costs of Issuance Custody Agreement.

“County” means the County of Marin, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

“Debt Service Fund” means the account established and held by the Town under Section 4.02.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Interest Payment Date” means February 1 and August 1 in each year, commencing August 1, 2020, or as otherwise set forth in the Bond Purchase Agreement.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Refunding Bonds except: (a) Refunding Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Refunding Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been authorized, executed, issued and delivered by the Town under this Resolution.

“Owner”, whenever used herein with respect to a Refunding Bond, means the person in whose name the ownership of such Refunding Bond is registered on the Registration Books.

“Paying Agent” means The Bank of New York Mellon Trust Company, N.A., the Paying Agent appointed by the Town and acting as paying agent, registrar and authenticating agent for the Refunding Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

“Principal Office” means the office or offices of the Paying Agent for the payment of the Refunding Bonds and the administration of its duties hereunder, as such office or offices shall be identified in a written notice filed with the Town by the Paying Agent, provided, however, solely for the purposes of the presentation and surrender of the
Refunding Bonds for payment, transfer or exchange, the Principal Office of the Paying Agent shall be the designated corporate trust agency or operations office of the Paying Agent.

"Prior Bonds" has the meaning given that term in the recitals.

"Prior Bonds Paying Agent" has the meaning given that term in the recitals.

"Prior Paying Agent Agreement" has the meaning given that term in the recitals.

"Record Date" means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Refunding Bonds" means the Town of San Anselmo 2020 General Obligation Refunding Bonds authorized to be issued under this Resolution.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Refunding Bonds under Section 2.08.

"Resolution" means this Resolution, as originally adopted by the Town Council on May 12, 2020, and including all amendments hereto and supplements hereof which are duly adopted by the Town Council from time to time in accordance herewith.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Town may designate in a Written Request of the Town delivered to the Paying Agent.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the Town in accordance with Article VIII.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Town" means the Town of San Anselmo, a municipal corporation organized under the laws of the State of California, and any successor thereto.

"Town Representative" means (i) the Town Manager, the Finance and Administrative Services Director of the Town, the Mayor of the Town, the Town Clerk and (ii) any other officer of the Town authorized to act on behalf of the Town with respect to this Resolution and the Refunding Bonds.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated, as underwriter of the Refunding Bonds upon the negotiated sale thereof.
"Written Request of the Town" means an instrument in writing signed by a Town Representative or by any other officer of the Town duly authorized to act on behalf of the Town under a written certificate of a Town Representative.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; unless the context clearly indicates otherwise, the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Resolution; Findings. This Resolution is entered into under the provisions of the Bond Law. It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Refunding Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Refunding Bonds, together with all other indebtedness of the Town, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE REFUNDING BONDS

Section 2.01. Authorization. The Town Council hereby authorizes and finds that it is required in the prudent management of the fiscal affairs of the Town to provide for the issuance of the Refunding Bonds under and subject to the terms of the Bond Law and this Resolution, for the purpose of raising money to refund the Refunded Bonds and to pay the Costs of Issuance incurred in connection therewith. This Resolution constitutes a continuing agreement between the Town and the Owners of all of the Refunding Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and interest and premium, if any, on all Refunding Bonds which may be Outstanding hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The Refunding Bonds shall be issued in an aggregate amount not to exceed $2,000,000, and are designated the "Town of San Anselmo 2020 General Obligation Refunding Bonds."
As provided in Section 53552 of the Bond Law, the Refunding Bonds shall not be issued unless the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds is less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds. Before issuing the Refunding Bonds, the Town shall receive confirmation from the Underwriter that the requirements of Section 53552 of the Bond Law have been satisfied.

In addition, the Refunding Bonds shall be sold at such price and shall bear interest at such rates as shall produce a minimum net present value savings to the Town of at least 5.0% of the principal amount of the Refunded Bonds. Before issuing the Refunding Bonds, the Town shall receive confirmation from the Underwriter that the requirements of this paragraph have been satisfied.

Section 2.02. Terms of Refunding Bonds.

(a) Principal Amount of Refunding Bonds. The Refunding Bonds are authorized to be issued in an aggregate principal amount sufficient to provide for the refunding of the Refunded Bonds and the payment of all Costs of Issuance incurred in connection therewith.

(b) Form; Numbering. The Refunding Bonds will be issued in fully registered form, without coupons, in authorized denominations of $5,000 each or any integral multiple thereof. The Refunding Bonds will be lettered and numbered as the Paying Agent prescribes.

(c) Date of Refunding Bonds. The Refunding Bonds will be dated as of the Closing Date.

(d) CUSIP Identification Numbers. “CUSIP” identification numbers will be imprinted on the Refunding Bonds, but such numbers do not constitute a part of the contract evidenced by the Refunding Bonds and no error or omission with respect thereto will constitute cause for refusal of the Underwriter to accept delivery of and pay for the Refunding Bonds. In addition, failure on the part of the Town to use such CUSIP numbers in any notice to Owners of the Refunding Bonds will not constitute an event of default or any violation of the Town’s contract with such Owners and will not impair the effectiveness of any such notice.

(e) Maturities; Basis of Interest Calculation. The Refunding Bonds shall mature on August 1 in the years and in the amounts, and shall bear interest at the rates, as determined upon the sale thereof. The final maturity of the Refunding Bonds shall be not later than the final maturity of the Refunded Bonds that are refunded. Interest on the Refunding Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication
of a Refunding Bond, interest is in default thereon, such Refunding Bond shall bear
interest from the Interest Payment Date to which interest has previously been paid or made
available for payment thereon.

(f) **Manner of Payment.** Interest on the Refunding Bonds is payable by check
of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears
on the Registration Books at the close of business on the preceding Record Date; except
that at the written request of the Owner of at least $1,000,000 aggregate principal amount
of the Refunding Bonds, which written request is on file with the Paying Agent as of any
Record Date, interest on such Refunding Bonds shall be paid by wire transfer on the
succeeding Interest Payment Date to an account in the United States of America as shall
be specified in such written request. Principal of and premium (if any) on the Refunding
Bonds is payable in lawful money of the United States of America upon presentation and
surrender at the Principal Office of the Paying Agent.

(g) **Provisions of Bond Purchase Agreement to Control.** Notwithstanding the
foregoing provisions of this Section 2.02 and the following provisions of Section 2.03, any
of the terms of the Refunding Bonds may be established or modified under the Bond
Purchase Agreement. In the event of a conflict or inconsistency between this Resolution
and the Bond Purchase Agreement relating to the terms of the Refunding Bonds, the
provisions of the Bond Purchase Agreement shall be controlling.

**Section 2.03. No Early Redemption.** The Refunding Bonds are not subject to
redemption prior to maturity.

**Section 2.04. Form of Refunding Bonds.** The Refunding Bonds, the form of the
Paying Agent's certificate of authentication and registration and the form of assignment to
appear thereon shall be substantially in the forms, respectively, with necessary or
appropriate variations, omissions and insertions, as permitted or required by this
Resolution and the Bond Purchase Agreement, as set forth in Appendix A hereto.

**Section 2.05. Execution of Refunding Bonds.** The Refunding Bonds shall be
executed on behalf of the Town by the original or facsimile signatures of its Mayor and
Town Clerk who are in office on the date of adoption of this Resolution or at any time
thereafter. If any officer whose signature appears on any Refunding Bond ceases to be
such officer before delivery of the Refunding Bonds to the Underwriter, such signature will
nevertheless be as effective as if the officer had remained in office until the delivery of the
Refunding Bonds to the Underwriter. Any Refunding Bond may be signed and attested
on behalf of the Town by such persons as at the actual date of the execution of such
Refunding Bond are the proper officers of the Town although at the nominal date of such
Refunding Bond any such person does not serve as such officer of the Town.

Only those Refunding Bonds bearing a Certificate of Authentication in the form set
forth in Appendix A attached hereto, executed and dated by the Paying Agent, will be valid
or obligatory for any purpose or entitled to the benefits of this Resolution, and such
Certificate of Authentication of the Paying Agent constitutes conclusive evidence that the
Refunding Bonds so registered have been duly authenticated, registered and delivered
hereunder and are entitled to the benefits of this Resolution.

**Section 2.06. Transfer of Refunding Bonds.** Any Refunding Bond may, in
accordance with its terms, be transferred, upon the Registration Books, by the person in
whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Refunding Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Town may charge a reasonable sum for each new Refunding Bond issued upon any transfer.

Whenever any Refunding Bond or Bonds are surrendered for transfer, the Town shall execute and the Paying Agent shall authenticate and deliver a new Refunding Bond or Bonds, for like aggregate principal amount.

Prior to any transfer of the Refunding Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Paying Agent all information necessary to allow the Paying Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Paying Agent shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.07. Exchange of Refunding Bonds. Refunding Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same maturity. The Town may charge a reasonable sum for each new Refunding Bond issued upon any exchange.

Section 2.08. Registration Books. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the Town upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

Section 2.09. Book-Entry System. Except as provided below, DTC will be the Owner of all of the Refunding Bonds, and the Refunding Bonds will be registered in the name of Cede & Co. as nominee for DTC. The Refunding Bonds shall be initially executed and delivered in the form of a single fully registered Bond for each maturity date of the Refunding Bonds in the full aggregate principal amount of the Refunding Bonds maturing on such date. The Paying Agent and the Town may treat DTC (or its nominee) as the sole and exclusive owner of the Refunding Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the Town shall be affected by any notice to the contrary. The Paying Agent and the Town shall not have any responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or a Depository System Participant, or any other person which is 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 Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Refunding Bonds. The Town shall cause to be paid all principal and interest with respect to the Refunding Bonds only to DTC, 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 Refunding Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other
than DTC shall receive a Refunding Bond. 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 Refunding Bonds and delivers a written certificate to DTC and the Town to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Refunding Bonds. In such event, the Town shall issue, transfer and exchange Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Refunding Bonds 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 obliged to deliver Bonds 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 Bonds evidencing the Refunding Bonds to any Depository System Participant having Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Refunding Bond 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 Refunding Bond and all notices with respect to such Refunding Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Refunding Bonds.

ARTICLE III

SALE OF REFUNDING BONDS;
APPLICATION OF PROCEEDS

Section 3.01. Sale of Refunding Bonds; Approval of Sale Documents.

(a) Negotiated Sale of Refunding Bonds. The Town Council hereby authorizes the negotiated sale of the Refunding Bonds to the Underwriter. The Refunding Bonds shall be sold pursuant to the Bond Purchase Agreement, in substantially the form on file with the Town Clerk, with such changes therein, deletions therefrom and modifications thereto as a Town Representative may approve, such approval to be conclusively evidenced by the execution and delivery of such agreement. The Bond Purchase Agreement may be utilized if necessary or advisable in connection with the issuance of the Refunding Bonds, as determined by a Town Representative. The Underwriter's discount (without regard to an original issue discount, if any) may not exceed 1.50% of the aggregate principal amount of the Refunding Bonds sold thereunder. The Town Council hereby authorizes a Town Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the Town.

(b) Official Statement. The Town Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form on file with the Town Clerk, with such changes therein, deletions therefrom and modifications thereto as
a Town Representative may approve. Each Town Representative is hereby individually and separately authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Town Council's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule, as of the date of execution of such certificate. A Town Representative is hereby individually authorized and directed to approve any changes in or additions to a final form of the Official Statement, and the execution thereof by such Town Representative shall be conclusive evidence of approval of any such changes and additions. The Town Council hereby authorizes the distribution of the final Official Statement and any supplements to the final Official Statement by the Underwriter. A Town Representative shall execute the final Official Statement and any supplements to the final Official Statement in the name and on behalf of the Town.

(c) Actions to Close Bond Issuance. Each Town Representative and any and all other officers of the Town are each authorized and directed in the name and on behalf of the Town to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Town 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 their behalf if such officer is absent or unavailable.

Section 3.02. Application of Proceeds of Sale of Refunding Bonds. The proceeds of the Refunding Bonds shall be applied by the Underwriter on the Closing Date in accordance with a Written Request of the Town, as follows:

(a) The Underwriter shall transfer a portion of the proceeds of the Refunding Bonds to the Cost of Issuance Custodian, for application as set forth in Section 3.04.

(b) The Underwriter shall transfer the remainder of such proceeds to the Prior Bonds Paying Agent to be held, invested and applied to refund and discharge the Refunded Bonds in accordance with the Prior Paying Agent Agreement.

Section 3.03. Refunding of Refunded Bonds; Approval of Irrevocable Refunding Instructions. The Refunded Bonds shall be refunded in accordance with Irrevocable refunding instructions given to the Prior Bonds Paying Agent by the Town. The Town Council hereby approves the Irrevocable Refunding Instructions in substantially the form on file with the Town Clerk, together with any changes therein or modifications thereof which are approved by a Town Representative, and the execution thereof by a Town Representative will be conclusive evidence of the approval of any such changes or modifications. A Town Representative is directed to authenticate and execute the final form of the Irrevocable Refunding Instructions on behalf of the Town, and to deliver the executed Irrevocable Refunding Instructions on the Closing Date. The sufficiency of the amounts deposited with the Prior Bonds Paying Agent to redeem the Refunded Bonds shall be certified by a certified public accountant in the State of California to the extent required by law.
Section 3.04. Costs of Issuance Custodian Agreement. The Town Council hereby directs the Underwriter to deposit a portion of the amounts received by the Underwriter upon the sale of the Refunding Bonds with The Bank of New York Mellon Trust Company, N.A., as custodian, to be applied to pay the Costs of Issuance, in the amount set forth in the Bond Purchase Agreement. The Town Council hereby authorizes a Town Representative to enter into a costs of issuance custodian agreement with the custodian. As provided in said agreement, amounts deposited thereunder shall be requisitioned by a Town Representative for payment of Costs of Issuance in accordance with said agreement.

ARTICLE IV

SECURITY FOR THE REFUNDING BONDS;
PAYMENT OF DEBT SERVICE

Section 4.01. Security for the Refunding Bonds. The Refunding Bonds are general obligations of the Town, and the Town Council has the power to direct the County to levy ad valorem taxes upon all property within the Town subject to taxation without limitation of rate or amount, for the payment of the Refunding Bonds and the interest thereon, in accordance with Section 43632 of the Government Code. The Town hereby directs the County to levy on all the taxable property in the Town, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which moneys when collected will be deposited in the Debt Service Fund.

Amounts in the general fund of the Town are not pledged to the payment of the Refunding Bonds. However, nothing herein limits the ability of the Town to provide for payment of the principal of and interest on the Refunding Bonds from any source of legally available funds of the Town. Any amounts so advanced by the Town from legally available funds may be reimbursed from ad valorem property taxes described in the previous paragraph subsequently collected for the payment of the Refunding Bonds.

The principal of and interest on the Refunding Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the Town, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon.

Section 4.02. Debt Service Fund. The Town Council hereby establishes a special fund to be held by the Town separate and apart from all other funds of the Town, to be known as the "2020 General Obligation Refunding Bonds Debt Service Fund." All taxes levied by the County, as directed by the Town, for the payment of the principal and interest and premium (if any) on the Refunding Bonds shall be deposited in the Debt Service Fund by the Town promptly upon the receipt thereof from the County. The Debt Service Fund is hereby pledged for the payment of the principal of and interest on the Refunding Bonds when and as the same become due. The Town shall transfer amounts in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, to the Paying Agent. Alternatively, the Town may direct the County to transfer such taxes, in whole or in part,
directly to the Paying Agent for the purpose of making payments of principal of and interest on the Refunding Bonds.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the Debt Service Fund, the Town shall transfer such amounts (i) first, to the debt service funds of any other general obligation bonds of the Town, and (ii) second, if no such bonds are then outstanding, to its general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Section 4.03. Investments. The Town shall invest all moneys held in any of the funds or accounts established with it hereunder in accordance with the investment policies of the Town, as such policies shall exist at the time of investment, and in accordance with Section 53601 of the California Government Code. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The Town covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Refunding Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.03, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE TOWN

Section 5.01. Punctual Payment. The Town shall punctually pay, or cause to be paid, the principal of and interest on the Refunding Bonds, in strict conformity with the terms of the Refunding Bonds and of this Resolution, and shall faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Refunding Bonds. Nothing herein contained prevents the Town from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the Town will not, directly or indirectly,
extend or consent to the extension of the time for the payment of any claim for interest on any of the Refunding Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner.

Section 5.03. Books and Accounts; Financial Statements. The Town will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Town in which complete and correct entries are made of all transactions relating to the Refunding Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

Section 5.04. Protection of Security and Rights of Refunding Bond Owners. The Town will preserve and protect the security of the Refunding Bonds and the rights of the Refunding Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Refunding Bonds by the Town, the Town may not contest the authorization, issuance, sale or repayment of the Refunding Bonds.

Section 5.05. Tax Covenants Relating to the Refunding Bonds. The Town shall take all actions necessary to assure the exclusion of interest on the Refunding Bonds from the gross income of the Owners of the Refunding Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. To that end, and without limiting the generality of the foregoing covenant, the Town hereby covenants with the Owners of the Refunding Bonds as follows:

(a) Private Activity Bond Limitation. The proceeds of the Refunding Bonds shall not be so used as to cause the Refunding Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) 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 the Refunding Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Town shall not take, or permit or suffer to be taken by the Paying Agent or otherwise, any action with respect to the Refunding Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Exemption from Rebate Requirement. The Town is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the Town; the Refunding Bonds are not private activity bonds within the meaning of section 141 of the Tax Code; and ninety-five percent (95%) of the Net Sale Proceeds of the Refunding Bonds are to be used for local governmental activities of the Town. The aggregate face amount (or,
issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the Town, including all subordinate entities of the Town and all entities which may issue obligations on behalf of the Town, during the calendar year during which the Refunding Bonds are being issued, is not reasonably expected to exceed $15,000,000, of which no more than $5,000,000 is for other than the construction of public school facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation. By reason of the statements set forth in this subparagraph, the Town will not rebate excess investment earnings, if any, to the federal government.

(e) **Small Issuer Exemption from Bank Nondeductibility Restriction.** The Town hereby designates the Refunding Bonds for purposes of paragraph (3) of section 265(b) of the Tax 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 Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Tax Code, except certain qualified 501(c)(3) bonds as defined in section 145 of the Tax 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 Refunding Bonds, has been or will be issued by the Town, including all subordinate entities of the Town, during the calendar year 2020. If the Town determines prior to the sale of the Refunding Bonds that obligations which exceed $10,000,000 aggregate principal amount will be issued in calendar year 2020, the Town Representative shall provide in the Bond Purchase Agreement that the Refunding Bonds are not bank qualified.

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

**Section 5.06. Continuing Disclosure.** The Town hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which a Town Representative is hereby authorized and directed to execute and deliver on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the Town to comply with the Continuing Disclosure Certificate will not be considered a default by the Town hereunder or under the Refunding Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Refunding Bonds may, take such actions as may
be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.07. Further Assurances. The Town will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Refunding Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Paying Agent for the Refunding Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Town a certificate to that effect. The Town and the Paying Agent may also enter into a paying agency agreement from time to time on terms acceptable to a Town Representative.

The Town may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least $100,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or under the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the Town and the Refunding Bond Owners of such resignation. Upon receiving notice of such resignation, the Town shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent becomes effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. Paying Agent May Hold Bonds. The Paying Agent may become the Owner of any of the Refunding Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Paying Agent. The recitals of facts, covenants and agreements herein and in the Refunding Bonds contained shall be taken as statements, covenants and agreements of the Town, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or
sufficiency of this Resolution or of the Refunding Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder.

Section 6.04. Notice to Paying Agent. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be of counsel to the Town, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the Town, and such certificate will be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof; but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Any bank, national association, federal savings association, or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national association, federal savings association, or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible as described in this Section 6.04 shall be the successor to such Paying Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.
Section 6.05. Compensation; Indemnification. The Town will pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The Town further agrees to indemnify the Paying Agent against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 6.06. Furnishing of Statements. The Paying Agent shall furnish the Town periodic cash transaction statements which include detail for all investment transactions effected by the Paying Agent or brokers selected by the Town. Upon the Town's election, such statements will be delivered via the Paying Agent's online service and upon electing such service, paper statements will be provided only upon request. The Town waives the right to receive brokerage confirmations of security transactions effected by the Paying Agent as they occur, to the extent permitted by law. The Town further understands that trade confirmations for securities transactions effected by the Paying Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

ARTICLE VII

REMEDIES OF REFUNDING BOND OWNERS

Section 7.01. Remedies of Refunding Bond Owners. Upon the happening and continuation of any default by the Town hereunder or under the Refunding Bonds, any Refunding Bond Owner has the right, for the equal benefit and protection of all Refunding Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the Town and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Refunding Bonds, and to require the carrying out of any or all such covenants and agreements of the Town and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Refunding Bond Owners’ rights; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Town and its members and employees to account as if it and they were the trustees of an express trust.

Section 7.02. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Refunding Bonds is exclusive of any other remedy. Each remedy is cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Refunding Bond Owners.
ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

Section 8.01. Amendments Effective Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, the Town Council may by Supplemental Resolution amend this Resolution in whole or in part, without the consent of any of the Refunding Bond Owners:

(a) to add to the covenants and agreements of the Town in this Resolution, other covenants and agreements to be observed by the Town which are not contrary to or inconsistent with this Resolution as heretofore in effect;

(b) to confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(c) to cure any ambiguity, supply any omission, substitute any party, or cure or correct any defect or inconsistent provision in this Resolution, which in any event does not materially adversely affect the interests of the Refunding Bond Owners, in the opinion of Bond Counsel filed with the Town; or

(d) to make such additions, deletions or modifications as may be necessary to assure compliance with the applicable provisions of the Tax Code relating to the rebate of excess investment earnings to the United States or otherwise as may be necessary to assure that the interest on the Refunding Bonds remains excludable from gross income of the Owners thereof for federal income tax purposes, in the opinion of Bond Counsel filed with the Town.

Section 8.02. Amendments Effective With Consent to the Owners. Any modification or amendment of this Resolution and of the rights and obligations of the Town and of the Owners of the Refunding Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of a majority in aggregate principal amount of the Refunding Bonds Outstanding at the time such consent is given. Without the consent of the Owners of all affected Refunding Bonds, no such modification or amendment may (a) change the maturity of the principal of any Refunding Bonds or any interest payable thereon, (b) reduce the principal amount of the Refunding Bonds or the rate of interest thereon, (c) reduce the percentage of Refunding Bonds the consent of the Owners of which is required to effect any such modification or amendment, (d) change any of the provisions in Section 7.01 relating to a default by the Town hereunder or under the Refunding Bonds, (e) reduce the amount of moneys pledged for the repayment of the Refunding Bonds. Without the consent of the Paying Agent, no such modification or amendment may change or modify any of the rights or obligations of the Paying Agent.
ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the Town, the Paying Agent, the Owners of the Refunding Bonds or any bond insurer which insures all or a portion of the Refunding Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Owners of the Refunding Bonds.

Section 9.02. Defeasance.

(a) Discharge of Resolution. Refunding Bonds may be paid by the Town, in whole or in part, in any of the following ways provided that the Town also pays or causes to be paid any other sums payable hereunder by the Town:

(i) by paying or causing to be paid the principal of and interest on such Refunding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount to pay such Refunding Bonds as provided in Section 9.02(c); or

(iii) by delivering such Refunding Bonds to the Paying Agent for cancellation by it.

If the Town pays all Outstanding Refunding Bonds and also pays or causes to be paid all other sums payable hereunder by the Town, then and in that case, at the election of the Town (evidenced by a certificate of a Town Representative filed with the Paying Agent, signifying the intention of the Town to discharge all such indebtedness and this Resolution), and notwithstanding that any Refunding Bonds have not been surrendered for payment, this Resolution, all taxes and other assets pledged under this Resolution and all covenants, agreements and other obligations of the Town under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the Town, the Paying Agent shall cause an accounting for such period or periods as may be requested by the Town to be prepared and filed with the Town and shall execute and deliver to the Town all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the Town all moneys or securities or other property held by it under this Resolution which are not required for the payment of Refunding Bonds not theretofore surrendered for such payment.

(b) Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount to pay any Outstanding Bond Bonds as provided in Section 9.02(c), then all liability of the Town in respect of such Refunding Bond will cease and be completely discharged, except only that thereafter the Owner thereof is entitled only to payment of the principal of and interest on such Refunding Bond by the Town, and the Town remains liable for such payment, but only out of such
money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) apply in all events.

The Town may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the Town acquires in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, will be deemed paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay any Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and must be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity; or

(ii) Federal Securities the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the Town, will provide money sufficient to pay the principal of and all unpaid interest to maturity on the Refunding Bonds to be paid, as such principal and interest become due.

(d) Payment of Refunding Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal of, or interest on, any Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable, if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the Town, be repaid to the Town free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease. Before the repayment of such moneys to the Town as aforesaid, the Paying Agent may (at the cost of the Town) first mail to the Owners of all Refunding Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Refunding Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Town of the moneys held for the payment thereof.

Section 9.03. Execution of Documents and Proof of Ownership. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Owners of Refunding Bonds may be in one or more instruments of similar tenor, and shall be executed by such Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Refunding Bond Owner or their attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which they purport to act, that the person signing such request,
declaration or other instrument or writing acknowledged to them the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same are proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Refunding Bond binds all future Owners of such Refunding Bond in respect of anything done or suffered to be done by the Town or the Paying Agent in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability. No Town Council member, officer, agent or employee of the Town has any individual or personal liability for the payment of the principal of or interest on the Refunding Bonds. Nothing herein contained relieves any Town Council member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Destruction of Canceled Bonds. Whenever in this Resolution provision is made for the surrender to the Town of any Refunding Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent constitutes the equivalent of the surrender of such canceled Bonds and the Town is entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Refunding Bonds therein referred to.

Section 9.06. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Resolution is for any reason held illegal or unenforceable, such holding will not affect the validity of the remaining portions of this Resolution. The Town hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Refunding Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 9.07. Execution of Documents. Each Town Representative is authorized and directed in the name and on behalf of the Town to make any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any Town Representative is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such Town Representative by any person designated by such Town Representative to act on their behalf in the case such Town Representative shall be absent or unavailable.

Section 9.08. Approval of Professional Services. The Town Council hereby appoints the firm of Jones Hall, A Professional Law Corporation, as Bond Counsel and disclosure counsel to the Town in connection with the issuance of the Refunding Bonds, and a Town Representative is authorized to execute an agreement with said firm in substantially the form of the agreement on file with the Town Clerk.
Section 9.09. Effective Date of Resolution. This Resolution becomes effective upon the date of its passage and adoption.

Section 9.10. Environmental Review. The general obligation bond refinancing authorized by this Resolution is a governmental fiscal activity that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the Town Council's action is not a "project" subject to the California Environmental Quality Act. (Cal. Pub. Res. Code § 21065; 14 Cal. Code Regs. § 15378(b)).
ADOPTED by the Town Council of the Town of San Anselmo at a regular meeting held this 12th day of May, 2020.

AYES: Greene, Colbert, Fineman, Wright, Burdo

NOES: None

ABSENT: None

Mayor of the Town of San Anselmo

ATTEST:

[Signature]

Town Clerk of the Town of San Anselmo
APPENDIX A

FORM OF REFUNDING BOND

REGISTERED BOND NO. ______  $________

TOWN OF SAN ANSELMO
2020 GENERAL OBLIGATION REFUNDING BOND

INTEREST RATE: _____% per annum
MATURITY DATE: August 1, ______
DATED DATE: ______, 2020
CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The TOWN OF SAN ANSELMO, a general law city organized and existing under the laws of the State of California (the "Town"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount set forth above on the Maturity Date set forth above, together with interest thereon at the Interest Rate set forth above, calculated on a 30/360 day basis, until the Principal Amount hereof is paid or provided for, such interest to be paid on February 1 and August 1 of each year, commencing ________, 20__ (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before ________, 20__, in which event it shall bear interest from the Dated Date set forth above.

The principal of and interest on this Bond are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. Principal hereof is payable upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); provided, however, that at the written request of the registered owner of Bonds in an aggregate
principal amount of at least $1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a series of $________ of bonds (the “Bonds”) issued for the purpose of refinancing outstanding bonded indebtedness of the Town and paying all necessary financing costs in connection therewith. The Bonds have been issued under authority of and under the laws of the State of California, and under a resolution of the Town Council of the Town adopted on May 12, 2020 (the “Bond Resolution”). The Bonds are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the Town, which taxes are unlimited as to rate or amount, that the Town levies for the payment of the Bonds and the interest thereon, in accordance with Section 43632 of the Government Code.

The principal of and interest on this Bond do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the Town, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions other than the Town, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest on this Bond be payable out of any funds or properties of the Town other than ad valorem taxes described in the previous paragraph.

The Bonds are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The Town and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the Town nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are not subject to redemption prior to maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Town, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

IT IS CERTIFIED, RECITED AND DECLARED that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Town, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been
received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the Town in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been manually signed by the Paying Agent.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Town or the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Town of San Anselmo has caused this Bond to be executed by the facsimile signature of its Mayor and attested by the facsimile signature of its Town Clerk, all as of the date stated above.

TOWN OF SAN ANSELMO

By __________________________
Mayor

Attest:

____________________________
Town Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Authentication:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent
FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____________________________________________________

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

______________________________________________________

attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated: ______________________

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.
APPENDIX B

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided in good faith by the Underwriter:

(A) True Interest Cost of the Refunding Bonds: 1.72%

(B) Finance Charge of the Refunding Bonds (Sum of all fees/charges paid to third parties): $89,275

(C) Net Proceeds to be Received (net of finance charges, reserves and capitalized interest, if any): $1,560,686

(D) Total Payment Amount Through Maturity: $1,757,775

The foregoing estimates constitute good faith estimates only. The principal amount of the Refunding Bonds, the true interest cost of the Refunding Bonds, 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 Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds 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 Refunding Bonds and the actual principal amount of Bonds sold will be determined by the Town based on the timing of the need for proceeds of the Refunding Bonds and other factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds 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.