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**Jones Hall Draft 8-8-14**

**\*\*\* PLEASE DO NOT PLACE THIS ITEM ON THE CONSENT CALENDAR PURSUANT TO GOVERNMENT CODE SECTION 53635.7\*\*\***

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO  
APPROVING THE BORROWING OF FUNDS FOR FISCAL YEAR  
2014-15 AND THE ISSUANCE AND SALE OF 2014-15 TAX AND  
REVENUE ANTICIPATION NOTES**

**WHEREAS**, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), this City Council (the "Council") has found and determined that moneys are needed for the requirements of the City, a municipal corporation and general law city duly organized and existing under the laws of the State of California, to satisfy obligations payable from the General Fund of the City (the "General Fund"), and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the City for the General Fund during or allocable to the fiscal year of the City beginning July 1, 2014 and ending June 30, 2015 ("Fiscal Year 2014-15"); and

**NOW THEREFORE, BE IT RESOLVED** that the Council of the City of El Cerrito approves the following:

**Section 1. Limitation on Maximum Amount.** The principal amount of notes issued pursuant hereto, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the City for the General Fund attributable to Fiscal Year 2014-15, and available for the payment of said notes and the interest thereon (as hereinafter provided).

**Section 2. Authorization and Terms of Notes.** Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the City for the General Fund during or allocable to Fiscal Year 2014-15, and not pursuant to any common plan of financing, the City hereby determines to and shall borrow the principal amount of not-to-exceed Five Million Five Hundred Twenty-Five Thousand Dollars (\$5,250,000) by the issuance of temporary notes under the Law, designated "City of El Cerrito, California 2014-15 Tax and Revenue Anticipation Notes" (the "Notes"). The Notes shall be dated the date of initial delivery, shall mature (without option of prior redemption) no later than thirteen months after their date of issuance, and shall bear interest, payable at maturity and computed on a 30-day month/360-day year basis, at a rate not in excess of five percent per annum. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America, as described below.

**Section 3. Form of Notes; Book Entry Only System.** The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively

upward in order of issuance, shall be in the denomination of \$5,000 each or any integral multiple thereof.

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

Except as provided below and in the case of a private placement, the owner of all of the Notes shall be The Depository Trust Company, New York, New York ("DTC"), and the Notes shall be registered in the name of Cede & Co., as nominee for DTC. The Notes shall be initially executed and delivered in the form of a single fully registered Note in the full aggregate principal amount of the Notes. The City may treat DTC (or its nominee) as the sole and exclusive owner of the Notes registered in its name for all purposes of this Resolution, and the City shall not be affected by any notice to the contrary. The City shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the Notes under or through DTC or a Participant (a "Beneficial Owner"), or any other person not shown on the register of the City as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Notes. The City shall pay all principal and interest with respect to the Notes only to DTC or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest with respect to the Notes to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Note. Upon delivery by DTC to the City 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 City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Notes and delivers a written certificate to DTC to that effect, DTC shall notify the Participants of the availability through DTC of Notes. In such event, the City shall issue, transfer and exchange Notes as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City shall be obligated to deliver Notes to the Beneficial Owners as described in this Resolution. Whenever DTC requests the City to do so, the City will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Notes evidencing the Notes to any DTC Participant having Notes credited to its DTC account or (b) arrange for another securities depository to maintain custody of Certificates evidencing the Notes.

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

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

**Section 5. Security.** The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the City for the General Fund for Fiscal Year 2014-15. As security for the payment of the principal of and interest on the Notes the City hereby pledges the first "unrestricted moneys" (as hereinafter defined) to be received by the City as follows: (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January, 2015; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2015; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2015 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the City lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the City to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund for Fiscal Year 2014-15 and which are generally available for the payment of current expenses and other obligations of the City.

**Section 6. Special Account.** There is hereby created, within the General Fund, a special account to be designated the "2014-15 Tax and Revenue Anticipation Note Special Account" (the "Special Account") and applied as directed in this Resolution. Any money placed in the Special Account shall be for the benefit of the owners of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Special Account shall be applied solely for the purposes for which the Special Account is created.

During the months of January, May, and June, 2015, the City shall deposit all Pledged Revenues in the Special Account. On the maturity date of the Notes, the City shall transfer to DTC the moneys in the Special Account necessary to pay the principal of and interest on the Notes at maturity and to the extent said moneys are insufficient therefor an amount of moneys from the General Fund which will enable payment of the full principal of and interest on the Notes at maturity. DTC will thereupon make payments of principal of and interest on the Notes to the DTC Participants who will thereupon make payments to the Beneficial Owners of the Notes. Any moneys remaining in the Special Account after the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund.

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

Moneys in the Special Account shall, to the greatest extent possible, be invested by the City directly, or through an investment agreement, in investments as permitted by the laws of

the State of California as now in effect and as hereafter amended, and the proceeds of any such investments shall be deposited in the Special Account.

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

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

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

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

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

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

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

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

**Section 15. Tax Covenants.**

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

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

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

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

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

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

**Section 16. Official Statement.** The City Council hereby directs the Finance Director to work with NHA Advisors, LLC (the “Financial Advisor”) and Jones Hall, A Professional Law Corporation (the “Bond Counsel”) to prepare an official statement for the Notes (the “Official Statement”) if the Notes will be sold as described in Section 17(a) and (b) below. The Finance Director shall return to this Council for approval of the Official Statement before authorizing distribution of the Official Statement to potential purchasers of the Notes.

**Section 17. Sale of Notes.** The Finance Director is hereby authorized to designate the manner of sale of the Notes, in consultation with the Financial Advisor and Bond Counsel, in one of the following ways, after concluding that the designated manner of sale is likely to produce the lowest net borrowing cost for the City:

(a) *Limited Negotiated.* The Finance Director may direct the Financial Advisor to contact a limited number of bond underwriters and negotiate the sale of the Notes. The Finance Director is hereby authorized to cause Bond Counsel to prepare and an Authorized Officer is authorized to execute and deliver a Note Purchase Agreement in connection with a negotiated sale of the notes in such form (including designation of the underwriter(s)) as an Authorized Officer shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

(b) *Public Sale.* The Finance Director, in consultation with the Financial Advisor, may determine to sell the Notes by competitive bid and award the sale of the Notes as set forth in an Official Notice of Sale (the “Official Notice of Sale”), which Bond Counsel is hereby directed to prepare consistent with this Resolution. If the Finance Director determines to proceed with a competitive bid, (a) Bond Counsel is hereby directed to arrange for the publication of a notice of intention of the sale of the Notes in accordance with Section 53692 of the Government Code and (b) an Authorized Officer is hereby directed to execute the Official Notice of Sale; to open the bids at the time and place specified in the Official Notice of Sale; to receive and record the receipt of all bids made pursuant to the Official Notice of Sale; to cause said bids to be examined for compliance with the Official Notice of Sale; to cause computations to be made as to which bidder has bid the lowest true interest cost, as provided in the Official Notice of Sale; to announce the bidder of the lowest true interest cost; and to award the sale to said bidder.

(c) *Private Placement.* The Finance Director may direct the Financial Advisor to contact a limited number of financial institutions and negotiate a private placement of the Notes. An Authorized Officer is hereby authorized to cause Bond Counsel to prepare and to execute and deliver a Note Purchase Agreement in connection with a private placement of the Notes in such form (including designation of the purchaser(s)) as an Authorized Officer shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

An Authorized Officer is further authorized to determine the maximum principal amount of Notes not to exceed \$5,250,000 and the maximum interest rate on the Notes not to exceed six percent per annum.

**Section 18. Engagement of Professional Services.** The City hereby approves the engagement of Jones Hall, A Professional Law Corporation as Bond Counsel (in which capacity Bond Counsel shall also provide disclosure counsel services) and NHA Advisors as Financial Advisor to the City in connection with the issuance and sale of the Notes.

**Section 19. Preparation of Notes; Official Action.** Bond Counsel is directed to cause suitable Notes to be prepared showing the interest rate determined in accordance with the manner of sale of the Notes, to procure their execution by the proper officers, and to cause the Notes to be delivered when so executed to the purchaser or DTC (as applicable) upon the receipt of the purchase price by the City Treasurer.

An Authorized Officer is further authorized and directed to make, execute and deliver such certificates, agreements and other closing documents as are necessary to consummate the transactions contemplated by this Resolution.

**Section 20. Effective Date.** This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of El Cerrito, California, this \_\_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Mayor

[S E A L]

Attest:

\_\_\_\_\_  
City Clerk



amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2015 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the City lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the City to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund of the City for Fiscal Year 2014-15 and which are generally available for the payment of current expenses and other obligations of the City.

The Notes are issuable as fully registered Notes, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions as provided in the Resolution, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations and of the same maturity.

The Notes are not subject to redemption prior to maturity.

This Note is transferable by the Owner hereof, but only under the circumstances, in the manner and subject to the limitations provided in the Resolution. Upon registration of such transfer a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City may treat the Owner hereof as the absolute owner hereof for all purposes, and the City shall not be affected by any notice to the contrary.

[Unless this Note is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

IN WITNESS WHEREOF, the City of El Cerrito has caused this Note to be executed by the City Manager and countersigned by the City Clerk of the City, all as of the Issue Date stated above.

CITY OF EL CERRITO

By: \_\_\_\_\_

[S E A L]

Countersigned:

---

City Clerk

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT
TEN ENT --	as tenants by the entireties	____ Custodian
JT TEN --	as joint tenants with	____ Minor
	right of survivorship and	Under Uniform Gifts to Minor
	not as tenants in	Act
	common	_____
		(State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED  
THOUGH NOT IN THE LIST ABOVE

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 Note and do(es) hereby irrevocably constitute and appoint

\_\_\_\_\_  
attorney, to transfer the same on the registration books of the City with full power of substitution  
in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an  
eligible guarantor

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

Jones Hall Draft 8-8-14

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**WHEREAS**, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), this City Council (the "Council") has found and determined that moneys are needed for the requirements of the City, a municipal corporation and general law city duly organized and existing under the laws of the State of California, to satisfy obligations payable from the General Fund of the City (the "General Fund"), and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the City for the General Fund during or allocable to the fiscal year of the City beginning July 1, 2014 and ending June 30, 2015 ("Fiscal Year 2014-15"); and

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upward in order of issuance, shall be in the denomination of \$5,000 each or any integral multiple thereof.

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

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

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

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

**Section 5. Security.** The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the City for the General Fund for Fiscal Year 2014-15. As security for the payment of the principal of and interest on the Notes the City hereby pledges the first "unrestricted moneys" (as hereinafter defined) to be received by the City as follows: (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January, 2015; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2015; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2015 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the City lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the City to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund for Fiscal Year 2014-15 and which are generally available for the payment of current expenses and other obligations of the City.

**Section 6. Special Account.** There is hereby created, within the General Fund, a special account to be designated the "2014-15 Tax and Revenue Anticipation Note Special Account" (the "Special Account") and applied as directed in this Resolution. Any money placed in the Special Account shall be for the benefit of the owners of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Special Account shall be applied solely for the purposes for which the Special Account is created.

During the months of January, May, and June, 2015, the City shall deposit all Pledged Revenues in the Special Account. On the maturity date of the Notes, the City shall transfer to DTC the moneys in the Special Account necessary to pay the principal of and interest on the Notes at maturity and to the extent said moneys are insufficient therefor an amount of moneys from the General Fund which will enable payment of the full principal of and interest on the Notes at maturity. DTC will thereupon make payments of principal of and interest on the Notes to the DTC Participants who will thereupon make payments to the Beneficial Owners of the Notes. Any moneys remaining in the Special Account after the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund.

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

Moneys in the Special Account shall, to the greatest extent possible, be invested by the City directly, or through an investment agreement, in investments as permitted by the laws of

the State of California as now in effect and as hereafter amended, and the proceeds of any such investments shall be deposited in the Special Account.

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

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

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

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

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

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

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

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

**Section 15. Tax Covenants.**

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

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

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

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

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

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

**Section 16. Official Statement.** The City Council hereby directs the Finance Director to work with NHA Advisors, LLC (the “Financial Advisor”) and Jones Hall, A Professional Law Corporation (the “Bond Counsel”) to prepare an official statement for the Notes (the “Official Statement”) if the Notes will be sold as described in Section 17(a) and (b) below. The Finance Director shall return to this Council for approval of the Official Statement before authorizing distribution of the Official Statement to potential purchasers of the Notes.

**Section 17. Sale of Notes.** The Finance Director is hereby authorized to designate the manner of sale of the Notes, in consultation with the Financial Advisor and Bond Counsel, in one of the following ways, after concluding that the designated manner of sale is likely to produce the lowest net borrowing cost for the City:

(a) *Limited Negotiated.* The Finance Director may direct the Financial Advisor to contact a limited number of bond underwriters and negotiate the sale of the Notes. The Finance Director is hereby authorized to cause Bond Counsel to prepare and an Authorized Officer is authorized to execute and deliver a Note Purchase Agreement in connection with a negotiated sale of the notes in such form (including designation of the underwriter(s)) as an Authorized Officer shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

(b) *Public Sale.* The Finance Director, in consultation with the Financial Advisor, may determine to sell the Notes by competitive bid and award the sale of the Notes as set forth in an Official Notice of Sale (the “Official Notice of Sale”), which Bond Counsel is hereby directed to prepare consistent with this Resolution. If the Finance Director determines to proceed with a competitive bid, (a) Bond Counsel is hereby directed to arrange for the publication of a notice of intention of the sale of the Notes in accordance with Section 53692 of the Government Code and (b) an Authorized Officer is hereby directed to execute the Official Notice of Sale; to open the bids at the time and place specified in the Official Notice of Sale; to receive and record the receipt of all bids made pursuant to the Official Notice of Sale; to cause said bids to be examined for compliance with the Official Notice of Sale; to cause computations to be made as to which bidder has bid the lowest true interest cost, as provided in the Official Notice of Sale; to announce the bidder of the lowest true interest cost; and to award the sale to said bidder.

(c) *Private Placement.* The Finance Director may direct the Financial Advisor to contact a limited number of financial institutions and negotiate a private placement of the Notes. An Authorized Officer is hereby authorized to cause Bond Counsel to prepare and to execute and deliver a Note Purchase Agreement in connection with a private placement of the Notes in such form (including designation of the purchaser(s)) as an Authorized Officer shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

An Authorized Officer is further authorized to determine the maximum principal amount of Notes not to exceed \$5,250,000 and the maximum interest rate on the Notes not to exceed six percent per annum.

**Section 18. Engagement of Professional Services.** The City hereby approves the engagement of Jones Hall, A Professional Law Corporation as Bond Counsel (in which capacity Bond Counsel shall also provide disclosure counsel services) and NHA Advisors as Financial Advisor to the City in connection with the issuance and sale of the Notes.

**Section 19. Preparation of Notes; Official Action.** Bond Counsel is directed to cause suitable Notes to be prepared showing the interest rate determined in accordance with the manner of sale of the Notes, to procure their execution by the proper officers, and to cause the Notes to be delivered when so executed to the purchaser or DTC (as applicable) upon the receipt of the purchase price by the City Treasurer.

An Authorized Officer is further authorized and directed to make, execute and deliver such certificates, agreements and other closing documents as are necessary to consummate the transactions contemplated by this Resolution.

**Section 20. Effective Date.** This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of El Cerrito, California, this \_\_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_

Mayor

[S E A L]

Attest:

\_\_\_\_\_

City Clerk



amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2015 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the City lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the City to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund of the City for Fiscal Year 2014-15 and which are generally available for the payment of current expenses and other obligations of the City.

The Notes are issuable as fully registered Notes, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions as provided in the Resolution, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations and of the same maturity.

The Notes are not subject to redemption prior to maturity.

This Note is transferable by the Owner hereof, but only under the circumstances, in the manner and subject to the limitations provided in the Resolution. Upon registration of such transfer a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City may treat the Owner hereof as the absolute owner hereof for all purposes, and the City shall not be affected by any notice to the contrary.

[Unless this Note is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

IN WITNESS WHEREOF, the City of El Cerrito has caused this Note to be executed by the City Manager and countersigned by the City Clerk of the City, all as of the Issue Date stated above.

CITY OF EL CERRITO

By: \_\_\_\_\_

[S E A L]

Countersigned:

---

City Clerk

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT
TEN ENT --	as tenants by the entireties	____ Custodian
JT TEN --	as joint tenants with	____ Minor
	right of survivorship and	Under Uniform Gifts to Minor
	not as tenants in	Act
	common	_____
		(State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED  
THOUGH NOT IN THE LIST ABOVE

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 Note and do(es) hereby irrevocably constitute and appoint

\_\_\_\_\_,  
attorney, to transfer the same on the registration books of the City with full power of substitution  
in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an  
eligible guarantor

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

No. 1

\*\*\*\*\*\$5,000,000\*\*\*\*\*

**CITY OF EL CERRITO, CALIFORNIA**  
**2014-15 TAX AND REVENUE ANTICIPATION NOTE**

<b>INTEREST RATE:</b>	<b>MATURITY DATE:</b>	<b>ISSUE DATE:</b>
1.50%	June 30, 2015	September 26, 2014

REGISTERED OWNER: WESTAMERICA BANK

PRINCIPAL SUM: \*\*\*\*\*FIVE MILLION DOLLARS\*\*\*\*\*

The CITY OF EL CERRITO, a municipal corporation, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money at the rate per annum stated above, payable on the Maturity Date stated above, calculated on the basis of 360-day year composed of twelve 30-day months. Both the principal of and interest on this Note shall be payable at maturity to the Owner.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes in the aggregate principal amount of Five Million Dollars (\$5,000,000), all of like tenor, issued pursuant to the provisions of Resolution No. 2014-46 of the City Council of the City duly passed and adopted on August 19, 2014 (the "Resolution"), and pursuant to Article 7.6 (commencing with section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all things, conditions and acts required to exist, happen and be performed precedent to and in the issuance of the Notes exist, have happened and have been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the City for the General Fund of the City for Fiscal Year 2014-15. As security for the payment of the principal of and interest on the Notes the City has pledged the first "unrestricted moneys" (as hereinafter defined) to be received by the City as follows: (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January, 2015; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2015; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2015 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be

payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the City lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the City to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund of the City for Fiscal Year 2014-15 and which are generally available for the payment of current expenses and other obligations of the City.

The Notes are issuable as fully registered Notes, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions as provided in the Resolution, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations and of the same maturity.

The Notes are not subject to redemption prior to maturity.

This Note is transferable by the Owner hereof, but only under the circumstances, in the manner and subject to the limitations provided in the Resolution and as otherwise described in the proceedings for the Note. Upon registration of such transfer a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City may treat the Owner hereof as the absolute owner hereof for all purposes, and the City shall not be affected by any notice to the contrary.

IN WITNESS WHEREOF, the City of El Cerrito has caused this Note to be executed by the City Manager and countersigned by the City Clerk of the City, all as of the Issue Date stated above.

CITY OF EL CERRITO

By: \_\_\_\_\_  
City Manager

Countersigned:

\_\_\_\_\_  
City Clerk

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT
TEN ENT --	as tenants by the entireties	____ Custodian
JT TEN --	as joint tenants with	____ Minor
	right of survivorship and	Under Uniform Gifts to Minor
	not as tenants in	Act
	common	_____
		(State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED  
THOUGH NOT IN THE LIST ABOVE

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 Note and do(es) hereby irrevocably constitute and appoint

\_\_\_\_\_,  
attorney, to transfer the same on the registration books of the City with full power of substitution  
in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an  
eligible guarantor

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

2014-1477

No. 1

\*\*\*\*\*\$5,000,000\*\*\*\*

**CITY OF EL CERRITO, CALIFORNIA**

**2014-15 TAX AND REVENUE ANTICIPATION NOTE**

<b>INTEREST RATE:</b>	<b>MATURITY DATE:</b>	<b>ISSUE DATE:</b>
1.50%	June 30, 2015	September 26, 2014

REGISTERED OWNER: WESTAMERICA BANK

PRINCIPAL SUM: \*\*\*\*\*FIVE MILLION DOLLARS\*\*\*\*\*

The CITY OF EL CERRITO, a municipal corporation, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money at the rate per annum stated above, payable on the Maturity Date stated above, calculated on the basis of 360-day year composed of twelve 30-day months. Both the principal of and interest on this Note shall be payable at maturity to the Owner.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes in the aggregate principal amount of Five Million Dollars (\$5,000,000), all of like tenor, issued pursuant to the provisions of Resolution No. 2014-46 of the City Council of the City duly passed and adopted on August 19, 2014 (the "Resolution"), and pursuant to Article 7.6 (commencing with section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all things, conditions and acts required to exist, happen and be performed precedent to and in the issuance of the Notes exist, have happened and have been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the City for the General Fund of the City for Fiscal Year 2014-15. As security for the payment of the principal of and interest on the Notes the City has pledged the first "unrestricted moneys" (as hereinafter defined) to be received by the City as follows: (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January, 2015; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2015; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2015 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be

**SCANNED**

payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the City lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the City to permit the deposit into the Special Account (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the General Fund of the City for Fiscal Year 2014-15 and which are generally available for the payment of current expenses and other obligations of the City.

The Notes are issuable as fully registered Notes, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions as provided in the Resolution, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations and of the same maturity.

The Notes are not subject to redemption prior to maturity.

This Note is transferable by the Owner hereof, but only under the circumstances, in the manner and subject to the limitations provided in the Resolution and as otherwise described in the proceedings for the Note. Upon registration of such transfer a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City may treat the Owner hereof as the absolute owner hereof for all purposes, and the City shall not be affected by any notice to the contrary.

IN WITNESS WHEREOF, the City of El Cerrito has caused this Note to be executed by the City Manager and countersigned by the City Clerk of the City, all as of the Issue Date stated above.

CITY OF EL CERRITO

By: \_\_\_\_\_  
City Manager

Countersigned:

\_\_\_\_\_  
City Clerk

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT
TEN ENT --	as tenants by the entireties	____ Custodian
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	____ Minor Under Uniform Gifts to Minor Act
		_____ (State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED  
THOUGH NOT IN THE LIST ABOVE

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 Note and do(es) hereby irrevocably constitute and appoint

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

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an eligible guarantor

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

2014-1477

**\$5,000,000**  
**CITY OF EL CERRITO, CALIFORNIA**  
**2014-15 TAX AND REVENUE ANTICIPATION NOTES**

**RECEIPT FOR PROCEEDS OF NOTES**

The undersigned hereby states and certifies that:

(i) the undersigned is the duly appointed, qualified and acting Finance Director/City Treasurer of the City of El Cerrito, a municipal corporation and general law city duly organized and existing under the laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) on the date hereof, the City received from Westamerica Bank, as purchaser (the "Purchaser"), the amount of \$5,000,000 being the purchase price for the above-captioned notes issued by the City (the "Notes") of which \$29,000.00 will be used as described in clause (iii) for the payment of the costs of issuance;

(iii) the following amounts will be used to pay costs of issuance:

<u>Invoicing Party</u>	<u>Amount</u>
NHA Advisors (Fees, POS Preparation, Additional Services, Printing & Expenses)	\$15,000.00
Jones Hall, APLC (Bond Counsel Fees & Expenses)	10,000.00
(Bank Counsel & Expenses)	3,500.00
CDIAC	150.00
Contingency	<u>350.00</u>
<b>Total</b>	<b>\$29,000.00</b>

(iv) the proceeds of the sale of the Notes have been deposited in a segregated account in the General Fund and will be used and expended by the City for any purpose for which it is authorized to expend funds from the General Fund.

Dated: September 26, 2014

**CITY OF EL CERRITO**

By: \_\_\_\_\_  
Lisa Malek-Zadeh  
Finance Director/City Treasurer

2014-1477

**\$5,000,000**  
**CITY OF EL CERRITO, CALIFORNIA**  
**2014-15 TAX AND REVENUE ANTICIPATION NOTES**

**RECEIPT FOR PROCEEDS OF NOTES**

The undersigned hereby states and certifies that:

(i) the undersigned is the duly appointed, qualified and acting Finance Director/City Treasurer of the City of El Cerrito, a municipal corporation and general law city duly organized and existing under the laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) on the date hereof, the City received from Westamerica Bank, as purchaser (the "Purchaser"), the amount of \$5,000,000 being the purchase price for the above-captioned notes issued by the City (the "Notes") of which \$29,000.00 will be used as described in clause (iii) for the payment of the costs of issuance;

(iii) the following amounts will be used to pay costs of issuance:

<u>Invoicing Party</u>	<u>Amount</u>
NHA Advisors (Fees, POS Preparation, Additional Services, Printing & Expenses)	\$15,000.00
Jones Hall, APLC (Bond Counsel Fees & Expenses)	10,000.00
(Bank Counsel & Expenses)	3,500.00
CDIAC	150.00
Contingency	<u>350.00</u>
<b>Total</b>	<b>\$29,000.00</b>

(iv) the proceeds of the sale of the Notes have been deposited in a segregated account in the General Fund and will be used and expended by the City for any purpose for which it is authorized to expend funds from the General Fund.

Dated: September 26, 2014

**CITY OF EL CERRITO**

By: \_\_\_\_\_  
Lisa Malek-Zadeh  
Finance Director/City Treasurer