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RESOLUTION NO. 2015-54

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO APPROVING
THE BORROWING OF FUNDS FOR FISCAL YEAR 2015-16 AND THE ISSUANCE AND
SALE OF 2015-16 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, 2015 and ending June 30, 2016 ("Fiscal Year 2015-16"); 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 2015-16, 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 2015-16, 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 Dollars (\$5,000,000) by the issuance of temporary notes under the Law, designated "City of El Cerrito, California 2015-16 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 one and one-half percent (1.5%) 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. 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.

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 2015-16. 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 February, 2016; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2016; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2016 (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 2015-16 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 "2015-16 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 February, May, and June 2016, the City shall deposit all Pledged Revenues in the Special Account. On the maturity date of the Notes, the City shall use the moneys in the Special Account 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. 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. 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 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 and the City Clerk shall register or transfer or cause to be registered or transferred, on said books, Notes as herein before provided.

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. Sale of Notes. The Finance Director is hereby authorized to direct the Municipal Advisor to work with a private placement agent identified by the Finance Director, Bond Counsel (defined below) and the Municipal Advisor (defined below) to negotiate a private placement of the Notes with Westamerica Bank (or another purchaser identified by the Finance Director). If applicable, an Authorized Officer is hereby authorized to cause Bond Counsel to prepare and to execute and deliver a Note Purchase Agreement with Westamerica Bank (or such other purchaser identified by the Finance Director) in such form 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 Five Million Dollars (\$5,000,000) and the maximum interest rate on the Notes not to exceed one and one-half percent (1.5%) per annum.

Section 17. Engagement of Professional Services. The City hereby approves the engagement of NHA Advisors as Municipal Advisor and Jones Hall, A Professional Law Corporation, as Bond Counsel to the City in connection with the issuance and sale of the Notes. The Finance Director is authorized to identify and retain a private placement agent. An Authorized Officer is hereby directed and authorized to negotiate and execute agreements with Bond Counsel, the Municipal Advisor and the private placement agent.

Section 18. 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 upon the receipt of the purchase price by the City.

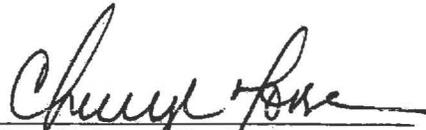
An Authorized Officer is further authorized and directed to make, execute and deliver such certificates, agreements and other closing documents as are necessary to consummate the transactions contemplated by this Resolution.

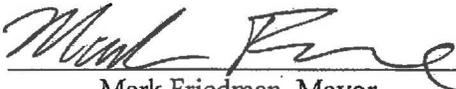
Section 19. Effective Date. This Resolution shall take effect upon its adoption.

I CERTIFY that at the regular meeting on July 21, 2015 the El Cerrito City Council passed this resolution by the following vote:

AYES: Councilmembers Abelson, Bridges, Quinto and Mayor Friedman
NOES: None
ABSENT: Councilmembers Lyman
ABSTAINED: None

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on July 24, 2015.


Cheryl Morse, City Clerk

APPROVED:

Mark Friedman, Mayor

CERTIFICATION
I HEREBY CERTIFY THAT THIS IS A TRUE AND
CORRECT COPY OF AN OFFICIAL DOCUMENT OF
THE CITY OF EL CERRITO, COUNTY OF CONTRA
COSTA, STATE OF CALIFORNIA.

CITY CLERK OF CITY OF EL CERRITO

EXHIBIT A
FORM OF NOTE

No. 1

*****\$_____****

CITY OF EL CERRITO, CALIFORNIA
2015-16 TAX AND REVENUE ANTICIPATION NOTE

INTEREST RATE: MATURITY DATE: ISSUE DATE: CUSIP:
 % ____, 2016 ____, 2015

REGISTERED OWNER: [_____]

PRINCIPAL SUM: **** _____ 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 _____ Dollars (\$ _____), all of like tenor, issued pursuant to the provisions of Resolution No. _____ of the City Council of the City duly passed and adopted on _____, 2015 (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 2015-16. 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, 2016; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2016; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2016 (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 2015-16 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 or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to , ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, _____ 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 Minc
	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.

\$5,000,000
CITY OF EL CERRITO, CALIFORNIA
2015-16 TAX AND REVENUE ANTICIPATION NOTES

CERTIFICATE REGARDING EFFECTIVENESS OF RESOLUTION

The undersigned hereby states and certifies that:

(i) the undersigned is the duly elected or appointed, qualified and acting City Clerk 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; and

(ii) on July 21, 2015, the City Council of the City duly adopted Resolution No. 2015-54, entitled "Resolution of the City Council of the City of El Cerrito Approving the Borrowing of Funds for Fiscal Year 2015-16 and the Issuance and Sale of 2015-16 Tax and Revenue Anticipation Notes" (the "Resolution"), and the Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on and as of the date hereof.

Dated: July 29, 2015

CITY OF EL CERRITO

By: _____


Cheryl Morse
City Clerk

June 18, 2015

SUMMARY OF TERMS AND CONDITIONS

<u>Issuer:</u>	City of El Cerrito, California ("City")
<u>Project:</u>	2015-16 Tax and Revenue Anticipation Notes
<u>Purchaser:</u>	Westamerica Bancorporation ("Purchaser")
<u>Principal Amount:</u>	\$5,000,000
<u>Closing:</u>	July 29, 2015
<u>Final Maturity:</u>	July 14, 2016
<u>Interest Rate:</u>	1.50%
<u>Denominations:</u>	\$5,000
<u>Interest Day Basis:</u>	30/360 day year
<u>Origination Fee:</u>	None
<u>Reserve Fund:</u>	Not required
<u>Fees Due at Closing:</u>	Legal fees not-to-exceed \$3,500
<u>Bank Counsel:</u>	Sheppard Mullin Richter & Hampton LLP
<u>Security:</u>	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 2015-16.
<u>Bank Qualified:</u>	Yes
<u>Legal Documents:</u>	Jones Hall, San Francisco, California will serve as bond counsel and will draft documents.

Opinion of Counsel: City's bond counsel shall deliver a tax and validity opinion to Purchaser at closing in form and substance satisfactory to Purchaser. The opinion of counsel will cover the following tax matters, in addition to other customary opinions:

- a) the portion of notes designated as and constituting interest paid by the City and received by Purchaser is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from state personal income taxes;
- b) such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; and
- c) counsel has examined, approved and attached the text of the enabling resolution of City's governing body authorizing City to enter into the legal agreements.

Documentation: Standard municipal documentation

WESTAMERICA BANCORPORATION

By: Robert Thorson
Robert Thorson,
SVP/CFO

Acknowledgement:

CITY OF EL CERRITO

By: _____
Lisa Malek-Zadeh,
Finance Director/City Treasurer

No. 1

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

CITY OF EL CERRITO, CALIFORNIA
2015-16 TAX AND REVENUE ANTICIPATION NOTE

INTEREST RATE:
1.50%

MATURITY DATE:
July 14, 2016

ISSUE DATE:
July 29, 2015

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. 2015-54 of the City Council of the City duly passed and adopted on July 21, 2015 (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 2015-16. 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 February, 2016; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May, 2016; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June, 2016 (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 defined in the Resolution) 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 2015-16 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.

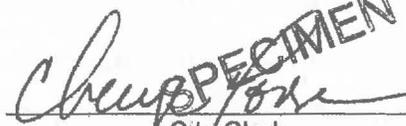
THE NOTES HAVE BEEN DESIGNATED BY THE CITY AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" WITHIN THE MEANING OF SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986.

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

CITY OF EL CERRITO

By: 
Finance Director

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 Minors 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.

SPECIMEN



JONES HALL

July 29, 2015

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

City Council
City of El Cerrito
10940 San Pablo Avenue
El Cerrito, California 94704

OPINION: \$5,000,000 City of El Cerrito, California
 2015-16 Tax and Revenue Anticipation Notes

Members of the City Council:

We have acted as bond counsel in connection with the issuance by the City of El Cerrito, California (the "City"), of \$5,000,000 City of El Cerrito, California 2015-16 Tax and Revenue Anticipation Notes, dated the date hereof (the "Notes"), pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Act"), and a resolution of the City adopted on July 21, 2015 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Resolution and in the certified proceedings of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The City is a duly created and validly existing municipal corporation with the power to adopt the Resolution, to perform the agreements on its part contained therein and to issue the Notes.
2. The Resolution has been duly adopted by the City and constitutes a valid and binding obligation of the City enforceable upon the City.
3. Pursuant to the Act, the Resolution creates a first lien on funds pledged by the Resolution for the security of the Notes.
4. The Notes have been duly authorized, executed and delivered by the City and are valid and binding general obligations of the City.
5. The interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal

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income tax purposes), such interest is taken into account in determining certain income and earnings. The Notes are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code"), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code, a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to interest payable on the Notes. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes, and in order for the Notes to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes, or may cause the Notes not to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Notes, or the amount, accrual or receipt of interest on the Notes.

6. The interest on the Notes is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Notes and the enforceability of the Notes and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A handwritten signature in black ink is written over a large, diagonal, grey stamp that reads "SPECIMEN".

A Professional Law Corporation

#2015-1255

**CITY OF EL CERRITO, CALIFORNIA
2015-16 TAX AND REVENUE ANTICIPATION NOTES**

MATURITY SCHEDULE

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 14, 2016	\$5,000,000	1.50%