

RESOLUTION NO. 18-0018

**RESOLUTION OF THE COUNCIL OF THE CITY OF MANHATTAN BEACH
AUTHORIZING THE ISSUANCE OF REFUNDING BONDS AND APPROVING AND
AUTHORIZING RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City Council (the “Council”) of the City of Manhattan Beach (the “City”) has previously adopted its Resolutions of Intention with respect to Assessment Districts 04-1, 04-3, 04-5, 05-2 and 05-6 pursuant to the Municipal Improvements Act of 1913, (Division 12 of the Streets and Highways Code of California (the “Prior Districts”)); and

WHEREAS, by the Resolutions of Intention, the Council provided that bonds would be issued thereunder pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, special assessment bonds were previously issued and delivered, for each of the Prior Districts (the “Prior Bonds”); and

WHEREAS, the outstanding Prior Bonds are secured by the unpaid assessments on properties in the Prior Districts; and

WHEREAS, the public interest requires the refunding of the Prior Bonds and this City Council intends to accomplish the refunding through the levy of reassessments and the issuance of refunding bonds upon the security thereof;

WHEREAS, on January 16, 2018, the Council adopted a “RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH DECLARING ITS INTENTION TO LEVY REASSESSMENTS AND TO ISSUE REFUNDING BONDS FOR REASSESSMENT DISTRICT NO. 2018” (the “Resolution of Intention to Levy Reassessments”), in and for the City of Manhattan Beach Reassessment District No. 2018 (the “Reassessment District”), whose boundaries include all of the Prior Districts, and has thereafter conducted proceedings pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the “Act”); and

WHEREAS, the proceedings under the Act and the Resolution of Intention to Levy Reassessments are now completed, a list of unpaid reassessments (the “List of Unpaid Reassessments”) is on file with the City Clerk, and this Council wishes to provide for the issuance of refunding improvement bonds hereinafter described and defined as the “Refunding Bonds” on the security of such unpaid reassessments pursuant to the Act; and

WHEREAS, the purpose of the issuance of the Refunding Bonds shall be to refund and redeem the Prior Bonds; and

WHEREAS, there has been submitted to this Council an agreement (the “Indenture”) providing for the issuance of the Refunding Bonds by the City for the Reassessment District, and the City Council, with the aid of City staff, has reviewed the Indenture and found it to be in proper order, and now desires to approve the Indenture and the issuance of the Refunding Bonds; and

WHEREAS, in order to effect the issuance of the Bonds, the City Council desires to approve the form of a Preliminary Official Statement for the Refunding Bonds (the “Preliminary Official Statement”) which Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Underwriter (the “Underwriter”) will use to market the Refunding Bonds, and to approve the forms of and to authorize the execution and delivery of the Indenture, a Bond Purchase Agreement and a Continuing Disclosure Certificate and to authorize such changes and additions thereto as the Authorized Officers (defined herein) deem necessary or desirable; and

WHEREAS, the City Council has determined that it is prudent in the management of its fiscal affairs to issue the Refunding Bonds and that the issuance of the Refunding Bonds is designed to achieve debt service savings and will benefit taxpayers within the Reassessment District; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bonds and the levy of the reassessments as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act;

WHEREAS, there has been presented to this Council the List of Unpaid Reassessments showing the unpaid reassessments upon the security of which the Refunding Bonds shall be issued, and this Council, with the aid of City staff, has reviewed and considered the List of Unpaid Reassessments; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bonds and the levy of the reassessments as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act;

NOW, THEREFORE, the Council of the City of Manhattan Beach does hereby **RESOLVE**, as follows:

1. The reassessments that remain unpaid are as shown on the List of Unpaid Reassessments, which is hereby approved and incorporated herein by this reference. The total amount of the unpaid reassessments is \$6,245,000. For a particular description of the lots, pieces and parcels of land bearing the respective reassessment numbers set forth in the List of Unpaid Reassessments, reference is hereby made to the reassessment and to the reassessment diagram, and any amendments thereto approved by this Council, all as recorded in the office of the official who is the Superintendent of Streets of the City.

2. Each of the above recitals is true and correct, as is each of the findings and determinations set forth therein, and each of said recitals, findings and determinations is adopted by the legislative body of the City.

3. The issuance of the Refunding Bonds in a principal amount not to exceed \$6,245,000 is hereby authorized and the exact principal amount to be issued shall be determined by the officer signing the Bond Purchase Agreement in accordance with Section 6 below. The Refunding Bonds shall mature on the dates and bear interest at the rates set forth in the Bond Purchase Agreement to be executed in accordance with Section 5 hereof. The Refunding Bonds shall be governed by the terms

and conditions of the Indenture between the City and U.S. Bank National Association, as Fiscal Agent, presented at this meeting (the “Indenture”). U.S. Bank National Association is hereby appointed as the Fiscal Agent for the Refunding Bonds. The Indenture shall be executed by one or more of the Mayor, the City Manager, Finance Director, Deputy Finance Director or any other person or persons designated by the City Council of the City (collectively, the “Authorized Officers”) substantially in the form presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

4. The Refunding Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Treasurer and the City Clerk of the City.

5. The covenants set forth in the Indenture are hereby approved and shall be deemed to be covenants of the City.

6. The form of the Bond Purchase Agreement presented at this meeting and the sale of the Refunding Bonds pursuant thereto are hereby approved, provided that the interest rate on the Refunding Bonds achieves savings and the discount at which the Underwriter purchase the Refunding Bonds (exclusive of original issue discount) does not exceed two percent of the principal amount thereof, as determined by the Director of Finance of the City or his designee. Any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement with such additions thereto and changes therein as the officer executing it may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Director of Finance of the City or his designee is authorized to determine the day on which the Refunding Bonds are to be priced in order to attempt to produce the lowest borrowing cost and may reject any terms presented by the Underwriter if determined not to be in the best interest of the City.

7. The form of the Continuing Disclosure Certificate presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Certificate in the form hereby approved, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

8. The form of the Preliminary Official Statement presented at this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Refunding Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary or desirable by the Director of Finance of the City or his designee, in order to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officer executing said document in order to make it complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Refunding Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the City as described above.

9. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance of the Refunding Bonds. Such services shall include, but not be limited to, obtaining legal services, fiscal agent services, and any other services deemed appropriate by the Authorized Officer; and each of the Authorized Officers is authorized to pay for the cost of such services, together with other costs of issuance for the Refunding Bonds, from the proceeds of the Refunding Bonds.

10. The Authorized Officers, and each of them, are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Refunding Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Refunding Bonds as described in the Indenture, including, but not limited to, directing the issuance of a conditional notice of redemption relating to the Prior Bonds, providing certificates as to the accuracy of any information relating to the City which is included in the Official Statement and other certificates described in the Indenture or the Bond Purchase Agreement. Any document authorized herein to be signed by the Secretary of the City Council may be signed by a duly-appointed deputy secretary.

11. This Resolution shall be effective upon its adoption.

Dated: January 16, 2018

ATTEST:

City Clerk

(SEAL)