

RESOLUTION NO. 25-0103

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH APPROVING TRUST AGREEMENTS, A SITE LEASE, A LEASE AGREEMENT, A PURCHASE CONTRACT, AN OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE CERTIFICATE; AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF NOT-TO-EXCEED \$13,400,000 CERTIFICATES OF PARTICIPATION SERIES 2025A AND NOT-TO-EXCEED \$3,800,000 CERTIFICATES OF PARTICIPATION SERIES 2025B

WHEREAS, the City has determined that financing the acquisition of certain property located at 400 Manhattan Beach Boulevard in the City and demolition and other related costs (the "2025A Project") is necessary and proper for City purposes and uses under the terms of applicable law and is for the common benefit of the City as a whole; and

WHEREAS, the City has determined that financing the acquisition of certain communications equipment and other related costs (the "2025B Project") is necessary and proper for City purposes and uses under the terms of applicable law and is for the common benefit of the City as a whole; and

WHEREAS, in order to implement the foregoing, the City and the Corporation, propose to enter into a Site Lease (as hereinafter defined) pursuant to which the City agrees to lease to the Corporation certain real property consisting of the City's Peck Reservoir and the real property on which it is located (the "Leased Premises"); and

WHEREAS, the City and the Corporation propose to enter into the Lease Agreement (the "Lease Agreement") pursuant to which the Corporation agrees to lease the Leased Premises to the City in consideration for which the City will make payments of lease payments ("Lease Payments") for the use and possession of the Leased Premises; and

WHEREAS, the Corporation proposes to assign and transfer to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), certain of its rights, title and interest in and to the Lease Agreement, including its right to receive payments of Lease Payments thereunder, by entering into an Assignment Agreement (as hereinafter defined); and

WHEREAS, in order to provide for the financing of the 2025A Project, the City, the Corporation and the Trustee propose to enter into a 2025A Trust Agreement (as hereinafter defined) pursuant to which the Trustee will execute and deliver certificates of participation representing proportionate undivided interests in the Lease Agreement, including the right to receive payments of 2025A Lease Payments and other amounts thereunder; and

WHEREAS, in order to provide for the financing of the 2025B Project, the City, the Corporation and the Trustee propose to enter into a 2025B Trust Agreement (as hereinafter defined) pursuant to which the Trustee will execute and deliver certificates of participation representing proportionate undivided interests in the Lease Agreement, including the right to receive payments of 2025B Lease Payments and other amounts thereunder; and

WHEREAS, the City proposes to enter into a Continuing Disclosure Certificate (as hereinafter defined) in order to assist the participating underwriter in complying with the Rule (as defined therein); and

WHEREAS, the City, the Corporation and the Underwriter (as defined herein) propose to enter into a Contract of Purchase (the "Purchase Contract") pursuant to which the City will sell the 2025 Certificates (as hereinafter defined); and

WHEREAS, in compliance with SB 450, the City has obtained from its Municipal Advisor the required good faith estimates and such estimates are disclosed and set forth in Exhibit I hereto herewith; and

WHEREAS, the City is authorized to undertake all of the above pursuant to applicable laws of the State of California.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH AS FOLLOWS:

SECTION 1. The Council hereby determines the above findings are true and correct.

SECTION 2. The form of Site Lease by and between the City and the Corporation (the "Site Lease"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby approved. The term of the Site Lease shall not exceed 30 years, except as provided in the Site Lease.

SECTION 3. The form of Lease Agreement by and between the City and the Corporation, a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, is hereby approved. The term of the Lease Agreement shall not exceed 30 years, except as provided in the Lease Agreement. Lease Payments shall not exceed \$1.930 million in any year. Amounts payable by the City pursuant to the Lease Agreement shall be payable from any legally available funds of the City to the extent set forth in the Lease Agreement.

SECTION 4. The form of the 2025A Trust Agreement among the City, the Corporation and the Trustee (the "2025A Trust Agreement"), a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, is hereby approved. The form of the 2025B Trust Agreement among the City, the Corporation and the Trustee (the "2025B Trust Agreement"), a copy of which is attached hereto as Exhibit "D" and incorporated herein by this reference, is hereby approved.

SECTION 5. The execution and delivery, pursuant to the 2025A Trust Agreement, of the Certificates of Participation Series 2025A (the "2025A Certificates") in an aggregate principal amount not to exceed \$13,400,000 is hereby approved. The execution and delivery, pursuant to the Trust Agreement, of the Certificates of Participation Series 2025B (the "2025B Certificates" and, together with the 2025A Certificates, the "2025 Certificates") in an aggregate principal amount not to exceed \$3,800,000 is hereby approved.

SECTION 6. The form of Purchase Contract between the City and BofA Securities, Inc. (the "Underwriter"), a copy of which is attached hereto as Exhibit "E" and incorporated herein by this reference, is hereby approved. In connection with the execution and delivery of the Purchase Agreement, any Responsible Officer (defined below) is further authorized and directed to negotiate the price and the interest rates for the 2025 Certificates to be sold pursuant to the Purchase Agreement. The initial interest rate (i.e., the Term Rate) of the 2025A Certificates during the initial Term Rate Period shall not exceed 5.00% and the maximum interest rate payable with respect to the 2025A Certificates shall not exceed 8.00%. The fixed interest rates of the 2025B Certificates shall not exceed 5.00%. The underwriter's discount from the principal amount of the 2025 Certificates shall not exceed 0.5% of the aggregate amount thereof.

SECTION 7. Any one of the Mayor (or in the absence of the Mayor, the Mayor Pro Tem), the City Manager, or any deputy thereof, or person duly appointed in writing to act in the stead of such officer (collectively, the "Responsible Officers"), is hereby authorized and directed for and in the name of and on behalf of the City to execute and deliver the Site Lease, the Lease Agreement, the Trust Agreement, the Certificate Purchase Agreement and the Continuing Disclosure Certificate, each in substantially the form presented to and considered at this meeting, with such changes therein, deletions therefrom and additions thereto as may be approved (i) by any Responsible Officer, in such person's discretion, as being in the best interests of the City, (ii) by Stradling Yocca Carlson & Rauth LLP, Special Counsel, and, (iii) as to form, by City Attorney; such approval to be conclusively evidenced by the execution and delivery thereof by the person executing the same on behalf of the City.

SECTION 8. The City hereby consents to the assignment by the Corporation of certain of its rights under the Lease Agreement, including the right to receive payments of Lease Payments thereunder, to the Trustee for the benefit of the owners of the 2025 Certificates and hereby approves the form of the Assignment Agreement by and between the Corporation and the Trustee (the "Assignment Agreement"), a copy of which is attached hereto as Exhibit "F" and incorporated herein by this reference.

SECTION 9. The proposed form of preliminary official statement relating to the 2025 Certificates (the "Official Statement"), presented to this meeting and a copy of which is attached hereto as Exhibit "G," is hereby approved. The Underwriter of the 2025 Certificates and the Responsible Officers are hereby authorized to distribute to persons who may be interested in the purchase of the 2025 Certificates a preliminary official statement in substantially said form with such changes therein, deletions therefrom and additions thereto as may be approved (i) by any Responsible Officer, (ii) by Stradling Yocca Carlson & Rauth LLP, Special Counsel, (iii) as to form, by the City Attorney. Upon approval of such changes by any Responsible Officer as evidenced by

execution of a certificate, substantially in the form on file with the City Clerk and incorporated herein by this reference, the preliminary official statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended. Any Responsible Officer is, hereby authorized, for and in the name of and on behalf of the City, to execute a final official statement for the 2025 Certificates authorized hereby, in substantially the form of said preliminary official statement, with such insertions and changes therein as such officer or officers, with the advice of said Special Counsel and the City Attorney, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The underwriter or underwriters of the 2025 Certificates and the Responsible Officers of the City are hereby authorized and directed to deliver copies of the final official statement to all actual purchasers of the 2025 Certificates.

SECTION 10. The form of Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), in substantially the form of the draft attached hereto as Exhibit "H" and incorporated herein by reference, to be dated the date of initial delivery of the 2025 Certificates, is hereby authorized to be executed and delivered by any Responsible Officer. The City covenants with the holders from time to time of the 2025 Certificates that it will, and hereby authorizes the appropriate officers and employees of the City to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing Disclosure Certificate as amended from time to time. Notwithstanding any other provision of this Resolution, failure of the City to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default or an Event of Default under the Resolution or the Trust Agreement, and the rights and remedies provided by the Resolution and the Trust Agreement upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Certificate may be enforced only as provided therein.

SECTION 11. All actions heretofore taken by any officer of the City with respect to the issuance and sale of the 2025 Certificates, are hereby approved, confirmed and ratified.

SECTION 12. The Responsible Officers are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents and certificates as may be necessary to effectuate the purposes of this resolution, including the execution and delivery of the 2025 Certificates, the execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the transactions as described herein and in the Official Statement.

SECTION 13. This Resolution shall take effect upon its adoption by this Council. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

ADOPTED on August 5, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

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DAVID LESSER  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk

**EXHIBIT A**  
**FORM OF SITE LEASE**

**EXHIBIT B**

**FORM OF LEASE AGREEMENT**

**EXHIBIT C**

**FORM OF 2025A TRUST AGREEMENT**



**EXHIBIT D**

**FORM OF 2025B TRUST AGREEMENT**

**EXHIBIT E**

**FORM OF PURCHASE CONTRACT**

**EXHIBIT F**

**FORM OF ASSIGNMENT AGREEMENT**

**EXHIBIT G**

**FORM OF OFFICIAL STATEMENT**

**EXHIBIT H**

**CONTINUING DISCLOSURE CERTIFICATE**

## EXHIBIT I

### GOOD FAITH ESTIMATES

Pursuant to California Government Code Section 5852.1, KNN Public Finance LLC, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Certificates (as defined below), has provided the following required information to the City Council (the "City Council") of the City of Manhattan Beach (the "City") prior to the Council's regular meeting at which the City Council will consider approving the execution and delivery of the Certificates.

It should be noted that the following information constitutes good faith estimates only as of July 24, 2025. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates below due to the timing of the sale of the Certificates, the amount of Certificates sold, the amortization of the Certificates sold, and prevailing market interest rates at the time of each sale. The date of sale and the amount of Certificates sold will be determined by the City. The actual interest rates at which the Certificates will be sold will depend on the bond market on the date and at the time of the sale. Market interest rates are affected by economic, national, international, and other factors beyond the control of the Municipal Advisor or the City.

1. Name of Issuer: City of Manhattan Beach Manhattan Beach Capital Improvements Corporation
2. Council Meeting Date: August 5, 2025.
3. Name of Issue: Certificates of Participation Series 2025A (Term Rate Mode) and Certificates of Participation Series 2025B (Fixed Rate).
4. Good Faith Estimates:
  - (A) The true interest cost of the Certificates, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Certificates (to the nearest ten-thousandth of one percent): 3.40%.
  - (B) The finance charge of the Certificates, which means the sum of all fees and charges paid to third parties: \$319,785.
  - (C) The amount of proceeds received by the public body for sale of the Certificates less the finance charge of the Certificates described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Certificates: \$16,588,202.
  - (D) The total payment amount, which means the sum total of all payments the Issuer will make to pay debt service on the Certificates plus the finance charge of the Certificates described in subparagraph (B) not paid with the proceeds of the Certificates (which total payment amount shall be calculated to the final maturity of the Certificates): \$18,636,339.

This document will be made available to the public at the Meeting of the Council.

Dated: July 24, 2025