

**RESOLUTION 11-28  
CITY OF MILLBRAE, COUNTY OF SAN MATEO  
STATE OF CALIFORNIA**

\*\*\*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MILLBRAE AUTHORIZING PROCEEDINGS TO REFUND  
OUTSTANDING 1999 CERTIFICATES OF PARTICIPATION AND  
APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, in order to finance improvements to the police administration building and construct a new community room (the "Project"), the City and the Millbrae Redevelopment Agency (the "Agency") have previously entered into a Lease Agreement dated as of December 1, 1999 (the "1999 Lease"), under which the Agency has agreed to lease certain property to the City, consisting generally of Fire Station #37, the Project and related land (collectively, the "Leased Property"), and the City has agreed to pay semiannual lease payments as rental for the Leased Property (the "1999 Lease Payments"); and

**WHEREAS**, financing for the Project was provided from the proceeds of Certificates of Participation (1999 Police Department Expansion/Remodel and New Community Room) which were executed and delivered in the aggregate principal amount of \$4,105,000 (the "1999 Certificates"), which are payable from the 1999 Lease Payments made by the City under the 1999 Lease; and

**WHEREAS**, the 1999 Certificates are subject to prepayment in full on September 1, 2011, at a prepayment price equal to the par amount of the 1999 Certificates to be prepaid, without a prepayment penalty, and the City has determined that it can realize interest rate savings at this time by refinancing the 1999 Certificates; and

**WHEREAS**, the City Council wishes at this time to approve proceedings to refinance the 1999 Certificates and thereby realize interest rate savings, and to approve related documents and actions;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the City Council of the City of Millbrae as follows:

**Section 1. Approval of Refinancing Proceedings.** The City Council hereby approves the refinancing of the 1999 Certificates and the 1999 Lease Payments. To that end, the City Council hereby approves each of the following financing documents in substantially the respective forms on file with the City Clerk, together with any changes therein or additions thereto approved by the City Manager or the Finance Director (each, an "Authorized Officer"), provided that the execution thereof by an Authorized Officer shall be conclusive evidence of such approval:

- Termination Agreement between the City, the Agency and Wells Fargo Bank, National Association, as trustee for the 1999 Certificates (the "1999 Trustee"), which terminates the 1999 Lease and related financing agreements.

- Lease and Sublease Agreement between the City and Municipal Finance Corporation (the "Corporation"), whereby the City leases all or a portion of the Leased Property to the Corporation in consideration the agreement by the Corporation to provide funds to refinance the 1999 Certificates and the 1999 Lease Payments as described in this Resolution, and the Corporation subleases the Leased Property back to the City in consideration of the payment of semiannual lease payments by the City as rental for the Leased Property.
- Assignment of Lease Agreement between the Corporation and City National Bank, as lender (the "Lender"), as consented to the City, whereby the Corporation assigns its rights under the Lease Agreement to the Lender in consideration of the agreement by the Lender to provide funds to refinance the 1999 Certificates and the 1999 Lease Payments and pay related financing costs.
- Irrevocable Refunding Instructions given by the City to the 1999 Trustee, whereby the 1999 Trustee agrees to establish an irrevocable escrow fund to be held and invested for the purpose of paying the principal and interest represented by the 1999 Certificates, and to prepay the 1999 Certificates in full on September 1, 2011.
- Agreement for Services as Cost Administrator between the City and Wells Fargo Bank, National Association, as custodian, relating to the deposit and administration of funds to pay financing costs relating to the transactions described in this Resolution.

An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to execute the final form of each of the foregoing documents, and the City Clerk is hereby authorized and directed to attest to the final form of each of the foregoing documents.

**Section 2. Material Terms of Lease Agreement.** The Lease Agreement shall be for a term not in excess of the original term of the 1999 Lease. The aggregate principal amount of the lease payments shall not exceed \$2,600,000 and the interest components of the new lease payments shall be computed at an interest rate not to exceed 4.25% per annum.

**Section 3. Engagement of Professional Services; Payment of Financing Costs.** The City Council hereby approves the engagement of the law firm of Jones Hall, A Professional Law Corporation, to act as bond counsel to the City in connection with the refinancing proceedings described herein. The Finance Director is hereby authorized and directed to execute an agreement with said firm on behalf of the City, in the form on file with the Finance Director. As provided in said agreement, all costs and expenses of such services shall be contingent upon the successful refinancing of the 1999 Certificates. Such costs and expenses, together with all other financing costs relating to the transactions described in this Resolution, shall be paid as provided in the Costs of Issuance Custodian Agreement which is approved under Section 1.

**Section 4. Official Actions.** The Mayor, the City Manager, the Finance Director, the City Clerk and all other officers of the City Council and the City are each authorized and directed

in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**REGULARLY PASSED AND ADOPTED** this 26 day of July, 2011.

  
\_\_\_\_\_  
Mayor/Chair

ATTEST:

  
\_\_\_\_\_  
City Clerk/Secretary

I do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Millbrae this 26<sup>th</sup> day of July 2011, by the following vote:

AYES:	COUNCILMEMBERS:	Quigg, Colapietro, Papan, Holoher, and Seto
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None
EXCUSED:	COUNCILMEMBERS:	None



---

ACTING CITY CLERK