

RESOLUTION NO. 10-13

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF WILLIAMS,
CALIFORNIA, AUTHORIZING THE ISSUANCE OF REVENUE
ANTICIPATION NOTES IN THE PRINCIPAL AMOUNT OF NOT TO
EXCEED \$995,000, APPROVING A NOTE INDENTURE, A NOTE
PURCHASE AGREEMENT AND RELATED MATTERS**

WHEREAS, pursuant to the provisions of Articles 7.6 (commencing with Section 53850) (“Article 7.6”) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code the City of Williams (the “City”) may borrow money, such indebtedness to be represented by a note or notes issued to the lender or lenders, and such borrowed money may be used and expended by the City for any authorized purpose for which the City is authorized to use and expend moneys, including but not limited to, capital expenditures; and

WHEREAS, to assist the City in financing improvements to the City’s wastewater system (the “Project”), the City entered into a Financing Agreement, Agreement No. 09-860-550, with the California State Water Resources Control Board (“SWRCB”) under which the SWRCB has agreed to loan to the City an aggregate principal amount of \$16,918,943 (the “Loan”); and

WHEREAS, planning and construction of the Project has commenced and the City has made payments to the contractor and the subcontractors in advance of disbursements under the Loan; and

WHEREAS, Loan proceeds have not yet been distributed to reimburse the City for the payments which the City has made to the consultants and contractors or to pay subsequent invoices from the consultants and the contractors; and

WHEREAS, for the purpose of paying consultants and contractors for work completed on the Project in a timely manner and to reimburse the City for payments made to the consultants and contractors for such work, the City has determined to issue its 2010 Revenue Anticipation Notes (the “Notes”) in an aggregate principal amount of not to exceed \$995,000 pursuant to and secured by a Note Indenture, dated as of May 1, 2010, by and between the City and U.S. Bank National Association, as paying agent; and

WHEREAS, a copy of the Note Indenture has been presented to the City Council at this meeting; and

WHEREAS, Brandis Tallman LLC (the “Underwriter”) has offered to purchase all Notes from the City under the terms of a Note Purchase Agreement in the form presented at this meeting; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLIAMS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Approval of Note Indenture. The Note Indenture is hereby approved and each of the Mayor, the Mayor Pro Tem or the City Administrator is authorized and directed to execute, acknowledge and deliver said agreement on behalf of the City in substantially the form

hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2. Revenues Pledged for the Payment of the Notes. The Revenues, as such term is defined in the Note Indenture, are pledged for the payment of the Notes and the Notes and the interest thereon shall be a first lien and charge against, and shall be payable from the first Revenues received by the City.

SECTION 3. Approval of Note Purchase Agreement. The form of Note Purchase Agreement presented at this meeting is hereby approved and the Underwriter is hereby approved as underwriter for the Notes and each of the Mayor, the Mayor Pro-Tem or the City Administrator is hereby authorized to accept, for and in the name of the City, such Note Purchase Agreement in substantially the form hereby approved with such changes therein as the officer executing the same may approve, after consultation with Del Rio Advisors, LLC, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum aggregate principal amount of the Notes shall not exceed \$995,000,000 and the interest rate on the Notes shall not exceed 7.00% per annum and further provided that the principal amount of the Notes, together with interest payable thereon, shall not exceed 85% of the estimated amount of the then uncollected taxes, income, revenues, cash receipts and other moneys of the City which will be available for the payment of the Notes and the interest thereon.

SECTION 4. Designation of Notes as “Qualified Tax-Exempt Obligations.” The City Council hereby designates the Notes as a “qualified tax-exempt obligation” for purposes of subparagraph (B) of paragraph (3) of section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), and covenants that the Notes do not constitute a “private activity bond” as defined in Section 141 of the Code, and that during the calendar year 2010, not more than \$30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103 (a) of the Code) from gross income for federal income tax purposes (excluding, however, “private activity bonds”, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Note, have been or shall be issued by the City and all subordinate entities, as that term is used in Section 265 of the Code, of the City.

SECTION 5. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

SECTION 6. Other Acts. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution and delivery of the Notes, the Note Indenture and the Note Purchase Agreement or otherwise to effectuate the purpose of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 7. Effective Date. This Resolution shall take effect upon adoption.

PASSED, APPROVED, AND ADOPTED this 5th day of May 2010 by the following vote:

AYES: Ash, Troughton, Jr., Barker, Johnson, and Plachek-Fulcher
NAYS: None.
ABSTAIN: None.
ABSENT: None.

Angela Plachek-Fulcher, Mayor

ATTEST:

Rene Miles, City Clerk