RESOLUTION NO. 3569-20

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR AUTHORIZING THE ISSUANCE OF LIMITED OBLIGATION REFUNDING BONDS FOR REASSESSMENT DISTRICT NO. 2020-1; PRESCRIBING THE DATE AND FORM OF SAID BONDS AND TERMS THEREFOR; PROVIDING FOR THE COLLECTION OF REASSESSMENTS TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; APPROVING THE SALE, EXECUTION AND DELIVERY OF SAID BONDS FOR REASSESSMENT DISTRICT NO. 2020-1

WHEREAS, the Town Council (Council) of the Town of Windsor (Town) has previously conducted special assessment proceedings for the Town of Windsor Mitchell/Shiloh/Conde Assessment District pursuant to the Municipal Improvement Act of 1913 (being Division 12 of the California Streets and Highways Code), for the purpose of financing certain public improvements (Improvements) and issued bonds for such district (Prior Bonds) under and pursuant to the conditions and terms of the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code to finance the Improvements; and

WHEREAS, the Town has determined that certain savings and efficiencies may be obtained by refunding the Prior Bonds and in connection therewith has determined to issue the Town of Windsor Limited Obligation Refunding Bonds, Reassessment District No. 2020-1 (Refunding Bonds) for the purpose of refunding the outstanding Prior Bonds, under and pursuant to the conditions and terms of the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the California Streets and Highways Code (Act), and to provide for the levy and collection of reassessments as security for the Refunding Bonds; and

WHEREAS, there is on file with the Administrative Services Director of the Town a list of all of the reassessments within the District (defined below) which remain unpaid (List of Unpaid Reassessments); and

WHEREAS, the Council finds it is in the public interest to refund the Prior Bonds, and the Council desires to do so and intends to accomplish the refunding through the levy of reassessments and the issuance of the Refunding Bonds upon the security thereof, and the proceeds of the Refunding Bonds shall be used to refund the Prior Bonds; and

WHEREAS, Fieldman Rolapp & Associates is serving as the Town's municipal advisor and Brandis Tallman LLC is serving as placement agent to the Town; and

WHEREAS, the Town's municipal advisor has recommended a private placement for the sale of the Refunding Bonds and the Administrative Services Director of the Town, working with the Town's placement agent, has solicited bids for a private investor bank or financial institution to purchase the Refunding Bonds, and this Council now desires that the Town sell the Refunding Bonds to a commercial bank or an alternative private investor selected by the Administrative Services Director so long as the issuance of the Bonds meets the parameters set forth in SECTION 9 herein (such actual purchaser is referred to herein as (Bank); 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 said bonds and the levy of said special 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 BE IT RESOLVED by the Town Council of the Town of Windsor as follows:

SECTION 1. Refunding Authorized. The Council hereby determines that the public interest requires the refunding of the Prior Bonds and the Council hereby declares its intention to refund the Prior Bonds and to levy reassessments in and for the Town of Windsor, Reassessment District No. 2020-1 (District) as security for the Refunding Bonds to be issued to refund the Prior Bonds.

SECTION 2. Authority Under the Act. The proceedings for the levy and collection of reassessments as security for the issuance and payment of the Refunding Bonds shall be conducted pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the California Streets and Highways Code (commencing with Section 9500) (Act).

SECTION 3. Map. The contemplated reassessments and refunding, in the opinion of the Council, are of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon the District, the exterior boundaries of which are shown on the map thereof heretofore filed in the office of the Town Clerk and in the office of the County Recorder of Sonoma County, to which map reference is hereby made for further particulars. The map indicates by boundary lines the extent of the territory included in the District which is the subject of these proceedings and shall govern for all details as to the extent thereof.

SECTION 4. Reserve Fund. The Council declares that it elects to establish a special reserve fund for the Refunding Bonds pursuant to Part 16 (commencing with Section 8880) of Division 10 of the California Streets and Highways code and, therefore, the amount of such special reserve fund shall be included in the contemplated reassessment. The amount of the initial deposit to the special reserve fund, if any, shall be determined by the Administrative Services Director following negotiations with the Bank, as set forth in SECTION 17 below.

SECTION 5. Reassessment Report. There has been filed with the Town Clerk a Reassessment Report prepared by NBS Government Finance Group, a qualified firm employed by the Town for the purpose of establishing such report. When any portion or percentage of the costs and expenses of the reassessment and refunding is to be paid from sources other than the reassessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of the reassessment and refunding, and the reassessments shall include only the remainder of the estimated cost and expenses. If any excess shall be realized from the reassessment it shall be used, in such amounts as the Council may determine, in accordance with the provisions of law, in a manner or manners to be provided in these proceedings.

SECTION 6. Maximum Terms of Bonds. Notice is hereby given that the Refunding Bonds, representing the unpaid reassessments, in the form of serial and/or term bonds and bearing interest at rates not to exceed the maximum rate authorized by applicable law at the time of such sale, will be issued in these proceedings in the manner provided by the Act and the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (Bond Law). The last installment of the Refunding Bonds (or series thereof) shall mature on a date that is not later the scheduled final maturity of the last series of the Prior Bonds to mature. Pursuant to Section 8650.1 of the Bond Law, the Council hereby determines that the principal amount of the Refunding Bonds maturing or becoming subject to mandatory prior redemption each year may be other than an amount equal to an even annual proportion of the aggregate principal of the Refunding Bonds. Under the Bond Law, the Town will not obligate itself to advance available funds from the treasury of the Town to cure any deficiency in the redemption fund to be created with respect to the Refunding Bonds; provided, however, that a determination not to obligate itself shall not prevent the Town from, in its sole discretion, so advancing the funds.

The provisions of Part 11.1 of Division 10 of the California Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds.

SECTION 7. Reassessment Roll. The County Auditor is hereby authorized and directed, in accordance with the provisions of Section 8682 of the Streets and Highways Code of the State of California, to enter into the assessment roll on which property taxes will next become due, opposite each lot or parcel of land affected, in a space marked "public improvement reassessment" or by other suitable designation, the next and several installments of such reassessment coming due during the ensuing fiscal year covered by the assessment roll and that said entry then shall be made each year during the life of the Refunding Bonds for the proceedings for the above referenced District. This authorization is continual until all reassessment obligations have been discharged and the Refunding Bonds terminated.

SECTION 8. Prior Proceedings. Reference is hereby made to proceedings heretofore had under Division 12 of the California Streets and Highways Code for the Town of Windsor Mitchell/Shiloh/Conde Assessment District pursuant to the Municipal Improvement Act of 1913 and issuance of the Prior Bonds, all of which are on file in the office of the Town Clerk. The Council finds and determines that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Refunding Bonds under the Act as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by the Act and all other applicable laws, and the Town is now authorized pursuant to each and every requirement of law to issue the Refunding Bonds in the manner and form as provided in this resolution.

SECTION 9. Terms of Bonds; Redemption. The Refunding Bonds shall be issued upon and shall represent and shall be secured by said reassessments in accordance with the provisions of the Act to provide means for refunding the Prior Bonds, including payment of all costs of issuing the Refunding Bonds. The Refunding Bonds shall be issued as hereinafter set forth and shall be known as the "Town of Windsor Limited Obligation Refunding Bonds, Reassessment District No. 2020-1" and shall be in an aggregate principal amount of not to exceed $3,000,000;

provided, the Refunding Bonds shall not have a final maturity later than September 2, 2034 or a present value savings of less than 3.00%. The Refunding Bonds shall be issued as fully registered bonds, shall be of the denomination of $1 or any other denomination as determined by the registered owners thereof (not exceeding the principal amount of Refunding Bonds maturing at any one time), shall be dated their date of delivery, and shall mature and bear interest at a rate set forth thereon. Notwithstanding any provision of the Act or these proceedings, reassessments may be prepaid in part in integral multiples of one dollar ($1).

The Refunding Bonds shall bear interest from the interest payment date next preceding the date of authentication and registration thereof, unless such date of authentication and registration is on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event they shall bear interest from such interest payment date, or unless such date of authentication and registration is on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event they shall bear interest from their dated date. Such interest shall be payable semiannually on March 2 and September 2 of each year, commencing September 2, 2020 or such later date as determined by the Administrative Services Director following negotiations with the Bank, until the respective maturity dates of the Refunding Bonds.

The interest on and principal of and redemption premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America by the Administrative Services Director or other appropriate Town officer. Payment of the interest on the Refunding Bonds due on or before the maturity or prior redemption thereof shall be made by check mailed to the registered owner(s) of the Refunding Bonds at their addresses as they appear at the close of business as of the fifteenth (15th) day of the month prior to each such interest payment date on the registration books maintained by the Town, and payment of the principal of and redemption premiums, if any, on the Refunding Bonds shall be made only upon surrender thereof by the registered owners thereof on their maturity dates or on redemption prior to maturity to the Town.

The Refunding Bonds shall be subject to redemption in accordance with the terms mutually agreed to by the Administrative Services Director and the Bank and set forth in the Refunding Bond(s) issued to Bank hereunder, the delivery of such Refunding Bond(s) being conclusive evidence of their approval by this Council.

The Town shall proceed pursuant to Part 11.1 of the Bond Law in determining those Refunding Bonds or portions thereof to be redeemed and the manner of the redemption thereof, and notice of advance redemption of any Refunding Bond shall be given by the Town as provided in the Bond Law.

The Refunding Bonds shall be initially issued and registered and shall be executed and delivered in such denominations and numbered in such manner as determined by the Town and registered in the names of such persons as are requested in such written request of the Town, subject to the limitations of SECTION 12 of this Resolution; and thereafter, such Refunding Bonds shall be transferred pursuant to said SECTION 12.

The Town shall be entitled to treat the person in whose name any such Refunding Bond is registered as the owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by the Town; and the Town shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any persons other than the registered owners of such Refunding Bonds; and the Town shall not have any responsibility or obligation, legal or otherwise, to any other party, except the registered owner of any such Refunding Bonds.

SECTION 10. Form of Bonds. The Refunding Bonds shall be in substantially the form set forth as Exhibit A hereto, the blanks in said form to be filled in with appropriate words or figures upon the final pricing of the Refunding Bonds, as determined by the Administrative Services Director. In consultation with Bond Counsel to the Town, in lieu of delivering a Refunding Bond to the Bank, the Administrative Services Director may negotiate and execute, on behalf of the Town, a loan agreement with the Bank having substantially the same terms and conditions.

SECTION 11. Execution of Bonds. The Town Treasurer and the Town Clerk are hereby authorized and directed, respectively, as such officers to execute each of the Refunding Bonds on behalf of the Town, either manually or in facsimile, and such signing shall be a sufficient and binding execution of the Refunding Bonds by the Town. In case either of such officers whose signature appears on the Refunding Bonds shall cease to be such officer before the delivery of the Refunding Bonds to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such officer had remained in office until the delivery of the Refunding Bonds. Only such of the Refunding Bonds as shall bear thereon a certificate of registration and authentication, executed and dated by the Town, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Refunding Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

SECTION 12. Payment of Interest; Exchange and Transfer. The Town shall pay interest on the Refunding Bonds due on or before the maturity or prior redemption thereof to the registered owners thereof as their names appear at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date on the registration books required to be kept by the Town pursuant to this section as the registered owners thereof, such interest to be paid by check mailed to such registered owners at their addresses appearing on such books or at such other addresses as they may have filed in writing with the Town for that purpose, and to pay to such registered owners the principal of and redemption premiums, if any, on the Refunding Bonds upon presentation and surrender of the Refunding Bonds to the Town at maturity or on redemption prior to maturity; provided that, the Bank may specify such other means of payment, provided such method is agreed to by the Administrative Services Director.

The Refunding Bonds shall only be transferred or exchanged in whole, and not in part, and only to a "Qualified Institutional Buyer" as defined pursuant to Rule 144A of the Securities Act of 1933 and regulations adopted by the Securities and Exchange Commission thereunder. Prior to any such transfer, the proposed transferee shall execute and deliver to the Town a representation letter with the foregoing representation, in substantially the form delivered by the Bank upon the initial issuance of the Refunding Bonds.

The Town Treasurer or Administrative Services Director will keep at his or her principal corporate trust office sufficient books for the registration, transfer and exchange of the Refunding Bonds, and upon presentation for such purpose the Town shall, under such reasonable regulations as he may prescribe, register or transfer or exchange Refunding Bonds on such books as hereinafter provided. Alternatively, the Treasurer or Administrative Services Director may appoint a fiscal agent, registrar and/or paying agent to undertake administration of the bonds.

Any Refunding Bond may be transferred or exchanged on such books by the registered owner thereof, in person or by his or her duly authorized attorney, upon payment by the person requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange and upon surrender of such Refunding Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Town. Whenever any Refunding Bond or Refunding Bonds shall be surrendered for transfer or exchange, the Town shall execute, authenticate as appropriate, and deliver a new Refunding Bond or Refunding Bonds of authorized denominations and of the same maturity date aggregating the principal amount of the Refunding Bond or Refunding Bonds so surrendered. The Town may deem and treat the registered owner of any Refunding Bond as the absolute owner of such Refunding Bond for the purpose of receiving payment thereof and for all other purposes, whether such Refunding Bond shall be overdue or not, and the Town shall not be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Refunding Bond shall be made only to such registered owner as above provided, which payment shall be valid and effectual to satisfy and discharge liability on such Refunding Bond to the extent of the sum or sums so paid.

SECTION 13. Pledge of Reassessments as Security for Payment. The Refunding Bonds shall be secured by a first pledge of all of the reassessments and all moneys deposited in the Redemption Fund and the Reserve Fund. The reassessments and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Refunding Bonds as provided herein and in the Bond Law until all of the Refunding Bonds have been paid and retired as provided herein.

The reassessments levied on the respective parcels in the District, together with interest thereon computed at the rate specified in the Refunding Bonds (which interest shall begin to run from the date of the Refunding Bonds), shall, in accordance with and consistent with the Act, remain and constitute a trust fund for the redemption and payment of the principal of the Refunding Bonds and for the interest due thereon, and said reassessments and each installment thereof and the interest and penalties thereon shall constitute a lien against the lots and parcels of land on which they are made until the same be paid.

The Administrative Services Director shall furnish to the County Auditor of Sonoma County (Auditor) and, as prescribed by the Act, the Auditor shall keep records in his or her office showing, the several installments of principal and interest on said reassessments which are to be collected in each year during the term of the Refunding Bonds; and an annual installment of said reassessments shall be payable and shall be collected in each year corresponding in amount to the amount of Refunding Bonds unpaid and to accrue that year, which amount shall be sufficient

to pay the Refunding Bonds as the same become due, and an annual installment of interest on said reassessments shall be payable and shall be collected in each year corresponding in amount to the amount of interest which will accrue on the Refunding Bonds outstanding for such year, which amount shall be sufficient to pay the interest thereon that shall become due in the next succeeding March and September. The annual proportion of said reassessments coming due in any year, together with the annual interest on such reassessments, shall be payable in the same manner and at the same time and in the same installments as the general taxes on real property in the Town are payable, and said reassessment installments and said annual interest on said reassessments shall be payable and become delinquent on the same dates and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes on real property in the Town.

All sums received from the collection of the reassessments and of the interest and penalties thereon shall be placed in the Redemption Fund. In addition, all sums received by the Town with respect to the assessments levied in connection with the Prior Bonds, including any penalties and delinquencies, shall be placed in the Redemption Fund. Any prepayments of reassessments shall be placed in the Redemption Fund established under and administered in accordance with this Resolution.

The Treasurer shall, before the final date on which the Auditor will accept the transmission of the reassessments for the parcels within the District for inclusion on the next tax roll, prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the installments of the reassessments on the next secured tax roll of the County. The Treasurer is hereby authorized to employ consultants to assist in computing the installments of the reassessments hereunder and in reconciling Reassessments billed to amounts received as provided below.

The reassessments shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. In addition to any amounts authorized pursuant to the Bond Law to be included with the annual amounts of installments as aforesaid, the Town, pursuant to section 8682.1 of the Bond Law, may cause to be entered on the assessment roll on which taxes will next become due, opposite each lot or parcel of land within the District in the manner set forth in said section 8682, each lot's pro rata share of the estimated annual expenses of the Town in connection with the administrative duties thereof for the Refunding Bonds, including, but not limited to, the costs of registration, authentication, transfer and compliance with this Resolution, which amounts shall be used to defray the costs of the Town in complying with the provisions of this Resolution. Delinquent reassessments shall be subject to foreclosure pursuant to SECTION 14 hereof.

The Town will not encumber, pledge or place any charge or lien upon any of the reassessments or other amounts pledged to the Refunding Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Refunding Bonds, except as permitted by this Resolution, the Act or the Bond Law and except that the Town may issue bonds to refund all or part of the Refunding Bonds.

SECTION 14. Covenant to Foreclose. The Council hereby covenants for the benefit of the registered owners of the Refunding Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any reassessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Law and the conditions specified in this Resolution. Staff of the Town shall notify legal counsel to the Town of any such delinquency of which the Town is aware, and such counsel shall commence, or cause to be commenced, such foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The Council hereby covenants to commence foreclosure proceedings under the following conditions within 60 days of any of the following determinations which shall be made by the Town not later than October 1 of each Fiscal Year, provided that the Town may undertake foreclosure proceedings sooner than specified below:

(A) *Individual Delinquencies*. If the Town determines that any single parcel subject to the reassessment in the Reassessment District is delinquent in the payment of reassessments in the aggregate amount of $3,000 or more, then the Town shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 60 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the Town within 120 days of such determination.

(B) *Aggregate Delinquencies*. If the Town determines that the total amount of delinquent reassessment for the prior Fiscal Year for the entire Reassessment District, (including the total of delinquencies under subsection (A) above), if (1) the sum of uncured assessment delinquencies for the preceding fiscal year exceeds five percent (5%) of the assessment installments posted to the tax roll for that fiscal year or (2) there is an unscheduled draw on the reserve fund that causes such reserve fund to fall below the required reserve, the Town shall notify or cause to be notified property owners who are then delinquent in the payment of reassessments (and demand immediate payment of the delinquency) within 60 days of such determination, and shall commence foreclosure proceedings within 120 days of such determination against each parcel of land in the Reassessment District with a reassessment delinquency.

The Council hereby further covenants for the benefit of the registered owners of the Refunding Bonds that it will monitor the records of the Auditor-Controller of Sonoma County for the purpose of ascertaining the occurrence of any delinquency.

SECTION 15. Redemption Fund. There is hereby created and established a fund to be known as the "Town of Windsor Limited Obligation Refunding Bonds, Reassessment District No. 2020-1, Redemption Fund," which fund shall be kept by the Administrative Services Director and shall constitute a trust fund for the benefit of the registered owners of the Refunding Bonds, and all sums received by the Administrative Services Director which are received from the collection of said reassessments (except for those amounts allocable to administrative expenses), and of the interest and penalties thereon, and including amounts paid to the Town on account of any prior pay off and discharge of a reassessment lien (whether in whole or in part) shall upon receipt be deposited in said fund. At the time of the issuance of the Refunding Bonds, the Town shall deposit in the Redemption Fund from the proceeds of sale of the Refunding Bonds the amount representing the capitalized interest, if any, and the accrued interest, if any, received on the

delivery of the Refunding Bonds. All sums to become due for the principal of and the interest on the Refunding Bonds shall be withdrawn by the Administrative Services Director from said fund for transfer to the Town for use for the payment of the principal of and the interest on the Refunding Bonds, and the Refunding Bonds and the interest thereon shall not be paid out of any other funds. Any surplus remaining in said fund after payment of all Refunding Bonds and the interest thereon shall be applied as directed by the Town.

SECTION 16. Expense Fund. There is hereby created and established a fund to be known as the "Town of Windsor Limited Obligation Refunding Bonds, Reassessment District No. 2020-1, Expense Fund," which fund shall be kept by the Administrative Services Director. After making the deposits in the Reserve Fund as required by SECTION 17, all remaining proceeds of the sale of the Refunding Bonds, if any, shall be deposited in the Expense Fund and shall be kept separate and distinct from all other Town funds. All moneys collected by the Town as administrative costs pertaining to administration of the reassessments and the Refunding Bonds shall also be deposited in the Expense Fund. All money in the Expense Fund shall be disbursed on such dates and in such amounts as are necessary to pay all costs of administering the reassessments and the Refunding Bonds (as provided under the Act), including all expenses incident to administering installments and prepayments collected on account of the unpaid reassessments, apportioning the reassessments if necessary in the event of division of any reassessment parcel, and all expenses incident to the calling, retiring or paying of the Refunding Bonds, and including, but not limited to, fees of bond counsel, placement agent, trustees, certified public accountants and municipal advisor, continuing disclosure service providers, administrative expenses of the Town, and other charges of the Town in connection with the Refunding Bonds.

SECTION 17. Reserve Fund. There is hereby created and established a fund to be known as the "Town of Windsor Limited Obligation Refunding Bonds, Reassessment District No. 2020-1, Reserve Fund," and the Town shall deposit therein from proceeds of the Refunding Bonds or other available sources such amount as the Bank and the Administrative Services Director of the Town deem appropriate. Moneys in the Reserve Fund will be used solely for the purpose of paying the principal of and interest on the Refunding Bonds when due in the event that the moneys from collections of the Reassessments are insufficient therefor or moneys in the Redemption Fund are insufficient to pay such amounts when due. If the amounts in the Redemption Fund are insufficient to pay the principal of or interest on any Refunding Bonds when due, the Administrative Services Director shall withdraw from the Reserve Fund for deposit in the Redemption Fund moneys necessary for such purposes, all as provided in the Act.

SECTION 18. Tax Covenants. The Town will not take or omit to take any action that would cause the interest on the Refunding Bonds to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing:

(A) Private Business Use Limitation. The Town shall assure that the proceeds of the Refunding Bonds are not used in a manner which would cause any of the Refunding Bonds to become "private activity bonds" under and within the meaning of Section 141(a) of the Internal Revenue Code of 1986 (Tax Code).

(B) Private Loan Limitation. The Town shall assure that no more than the lesser of $5,000,000 or 5% of the aggregate amount of the proceeds of the Refunding Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Tax Code or constituting assessments) to persons other than state or local government units.

(C) Federal Guarantee Prohibition. The Town shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Refunding Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(D) No Arbitrage. The Town shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Refunding Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Dated Date, would have caused the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(E) Small Issuer Exemption from Bank Nondeductibility Restriction. The Town hereby designates for purposes of paragraph (3) of Section 265(b) of the Tax Code, and represents that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Refunding Bonds, has been or will be issued by the Town, including all subordinate entities of the Town, during the calendar year 2020. Alternatively, the Administrative Services Director may elect not to so designate the Refunding Bonds if it is determined to offer no benefit to the Town.

SECTION 19. Method of Sale of Bonds. The Council hereby directs staff of the Town, working with the Town's placement agent, to negotiate with the Bank, to be selected by the Administrative Services Director, and to sell the Refunding Bonds to the Bank and establish terms of the Refunding Bonds consistent with the approvals set forth herein.

SECTION 20. Approval of Refunding Instructions. The form of irrevocable refunding instructions, submitted to this meeting and on file with the Town Clerk, is hereby approved, subject to such changes as the Administrative Services Director or designee shall approve, such approval to be conclusively established by the execution thereof. The Administrative Services Director is authorized and directed to execute the refunding instructions on behalf of the Town.

SECTION 21. Signatures on Bonds. The Town Clerk is directed to cause the Refunding Bonds to be typewritten, lithographed, printed or engraved, and to cause the blank spaces thereof to be filled in to comply with the provisions hereof, and to procure their execution either manually or in facsimile by the proper officers, and thereafter to deliver them to the purchaser thereof on receipt by the Town of the purchase price thereof. The Treasurer and the Town Clerk are further

authorized and directed to make, execute and deliver to the purchaser of the Refunding Bonds a signature certificate in the form customarily required by purchasers of municipal bonds, certifying to the genuineness and due execution of the Refunding Bonds. The Administrative Services Director of the Town and the Town Clerk are authorized and directed to make, execute and deliver to the purchaser of the Refunding Bonds a no litigation certificate in the form customarily required by purchasers of municipal bonds, certifying to all facts within their knowledge relative to any litigation which may or might affect the Town or said officers or the Refunding Bonds. The Administrative Services Director is further authorized and directed to make, execute and deliver to the purchaser of the Refunding Bonds a receipt in the form customarily required by purchasers of municipal bonds, evidencing the payment of the purchase price of the Refunding Bonds, which receipt shall be conclusive evidence that said purchase price has been paid and has been received.

Additionally, the officers of the Town are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Refunding Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Refunding Bonds, and the commitment of the Bank, as the Administrative Services Director may require or approve, in consultation with the Town Attorney, Bond Counsel and the Town's municipal advisor and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

SECTION 22. No Acceleration. The principal of the Refunding Bonds shall not be subject to acceleration. Nothing in this SECTION 22 shall in any way prohibit the redemption of Refunding Bonds, or the defeasance of the Refunding Bonds and discharge of the Town's obligations under this Resolution.

SECTION 23. Limited Obligation. All obligations of the Town under this Resolution and the Refunding Bonds shall not be general obligations of the Town, but shall be limited obligations, payable solely from the reassessments and the funds pledged therefore hereunder. Neither the faith and credit of the Town nor of the State of California or any political subdivision thereof is pledged to the payment of the Refunding Bonds. The Refunding Bonds are "Limited Obligation Refunding Improvement Bonds" and are payable solely from and secured solely by the reassessments and the amounts in the Redemption Fund and the Reserve Fund created hereunder. Notwithstanding any other provision of this Resolution, the Town is not obligated to advance available surplus funds from the Town treasury to cure any deficiency in the Redemption Fund.

SECTION 24. Ratification of Prior Actions. All actions heretofore taken by the officers and agents of the Town with respect to notice of advanced redemption to the holders of the outstanding Prior Bonds, the sale, execution and delivery of the Refunding Bonds, and the other transactions authorized and contemplated herein are hereby approved, confirmed and ratified. Notwithstanding any provision of this resolution authorizing the Administrative Services Director to take any action or execute any document to the contrary, in the absence of the Administrative Services Director or in lieu of the Administrative Services Director, the person designated in writing by the Administrative Services Director, may take such action or execute

such document with like effect as fully as though named in this resolution instead of the Administrative Services Director

SECTION 25. Further Authorization. The Town Manager, Administrative Services Director, Town Attorney, Town Clerk and other appropriate officers of the Town, each acting alone, are authorized to take such other actions as are appropriate to carry out the intent of this Resolution, including execution of a placement agent agreement with Brandis Tallman LLC, as placement agent, substantially in the form on file with the Town Clerk, with such changes and modifications as may be deemed necessary by the Town Administrator or Administrative Services Director.

SECTION 26. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED this 15th day of January 2020, by the following vote:

AYES:	**COUNCILMEMBERS FUDGE, OKREPKIE, SALMON, VICE MAYOR LEMUS AND MAYOR FOPPOLI**
NOES:	**NONE**
ABSTAIN:	**NONE**
ABSENT:	**NONE**

DOMINIC FOPPOLI, MAYOR

ATTEST:

MARIA DE LA O, TOWN CLERK

Attachment:

- **Exhibit A** – Form of Bond

EXHIBIT A

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
SONOMA COUNTY

REGISTERED
NUMBER ____

REGISTERED
$_____

TOWN OF WINDSOR
LIMITED OBLIGATION REFUNDING BOND
REASSESSMENT DISTRICT NO. 2020-1

Interest Rate	Maturity Date	Dated Date
_____%	September 2, 20__	_____, 2020

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____DOLLARS

Under and by virtue of the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the California Streets and Highways Code (the "Act"), the Town of Windsor in the State of California (the "Town") will, out of the Redemption Fund hereinafter referred to, pay to the registered owner set forth above on the maturity date set forth above (subject to the right of prior redemption hereinafter reserved) the principal amount set forth above in lawful money of the United States of America, and in like manner will pay interest from the interest payment date next preceding the date on which this Bond is authenticated and registered (unless this Bond is authenticated and registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated and registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event it shall bear interest from the Dated Date set forth above) until payment of such principal sum shall have been discharged, at the interest rate per annum set forth above, payable semiannually on March 2 and September 2 in each year (each, an "Interest Payment Date"), commencing September 2, 2020.

Both the principal hereof and redemption premium, if any, hereon are payable at the principal to the owner hereof, and the interest hereon is payable by check mailed to the owner hereof at the owner's address as it appears on the registration books of the Town, or at such address as may have been filed in writing with the Town for that purpose, at the close of business as of the fifteenth (15th) day of the month next preceding each Interest Payment Date.

This Bond is one of several annual series of Bonds of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by the Town under the Act and the resolution providing for its issuance (the "Resolution") for the purpose of providing funds for refunding

assessment bonds originally issued to pay for the improvements described in said proceedings, and is secured by the moneys in the Redemption Fund provided in the Resolution and by the unpaid portion of reassessments levied for the payment hereof, and, including principal and interest, is payable exclusively out of said fund.

The Town Council has declared and determined that it does not and will not obligate itself to advance funds from the Town treasury to cure any deficiency which may occur at any time in said Redemption Fund.

This Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Treasurer of the Town, subject to the terms and conditions provided in the Resolution, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered bond or bonds, of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Optional Redemption. Each Outstanding Bond maturing on and after September 2, 20__, or any portion of the principal thereof, in the principal amount of $1 or any integral multiple thereof, may be redeemed, at the option of the District, from any source of available funds prior to maturity other than from prepayments of the Reassessments, in whole, or in part among maturities as specified by the District and by lot within a maturity, on any Interest Payment Date on or after September 2, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Redemption Following Prepayment of Reassessments. The Bonds are subject to extraordinary redemption from prepayments of the Reassessments, in whole, or in part among maturities as specified by the Town and by lot within a maturity, on any Interest Payment Date, at the following respective redemption prices (expressed as percentages of the principal amount of the Refunding Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
On or before March 2, 20__	103%
September 2, 20__ and March 2, 20__	102
September 2, 20__ and March 2, 20__	101
September 2, 20__ and thereafter	100

The Town shall notify the registered owner of Bonds to be called for redemption upon prepayment of Reassessments in amounts sufficient therefor, or whenever sufficient surplus funds are available therefor in the Redemption Fund. The Town shall select Bonds for retirement in such a way that

the ratio of outstanding Bonds to issued Bonds shall be approximately the same in each annual series insofar as possible. Within each annual series, the City shall select Bonds for retirement by lot.

The provisions of Part 11.1 of the Bond Law are applicable to the advance payment of Reassessments and to the calling of the Refunding Bonds. The Treasurer shall advise the register owner of such provisions to the extent not specified herein.

Mandatory Sinking Fund Redemption. The Refunding Bonds are subject to mandatory sinking payment redemption by lot, at a redemption price equal to 100% of their principal amount to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Payment Date	Payment
(September 2)	Amount

(maturity)

If some but not all of the Refunding Bonds have been redeemed pursuant to optional redemption or extraordinary redemption as described above the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of $1 as determined by the District and a new schedule of Sinking Fund Payments shall be provided to the Town from the Bank.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership or a trust.

The Town shall not be required to make such exchange or registration of transfer of Bonds during the period from the sixteenth (16th) day of the month next preceding an Interest Payment Date to such Interest Payment Date, both inclusive.

The Town may treat the registered owner hereof as the absolute owner for all purposes, and the Town shall not be affected by any notice to the contrary.

ALL OBLIGATIONS OF THE TOWN UNDER THE RESOLUTION AND THE REFUNDING BONDS SHALL NOT BE GENERAL OBLIGATIONS OF THE TOWN, BUT SHALL BE LIMITED OBLIGATIONS. NEITHER THE FAITH AND CREDIT OF THE TOWN NOR OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE REFUNDING BONDS. THE REFUNDING BONDS ARE "LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS" AND ARE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE REASSESSMENTS AND THE AMOUNTS IN THE REDEMPTION FUND AND THE RESERVE FUND CREATED UNDER THE RESOLUTION. THE TOWN IS NOT OBLIGATED TO ADVANCE AVAILABLE SURPLUS FUNDS FROM THE TOWN TREASURY TO CURE ANY DEFICIENCY IN THE REDEMPTION FUND.

IN WITNESS WHEREOF, the Town Council of Town of Windsor has caused this Bond to be signed manually or in facsimile by the Treasurer and by the Town Clerk, all as of _____, 2020.

TOWN OF WINDSOR

_____
Jeneen Peterson, Treasurer

_____
Maria De La O, Town Clerk