RESOLUTION NO. OB 2014-10

RESOLUTION OF THE OVERSIGHT BOARD OF THE FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE SUCCESSOR AGENCY AND RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 ("ABx1 26"); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Fort Bragg Redevelopment Agency (the "Former Agency"), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, all subsequent "Section" references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the "Dissolution Law") to clarify that successor agencies are separate public entities from their sponsoring city or county; and

WHEREAS, on July 23, 2012, the City of Fort Bragg (the "City") adopted Resolution No. 3559-2012 acknowledging the City as the Fort Bragg Redevelopment Successor Agency (the "Successor Agency"), and the Successor Agency adopted Resolution No. RS 01-2012, designating officers and adopting administrative and operating procedures; and

WHEREAS, pursuant to Section 34179, this oversight board (the "Oversight Board") has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Former Agency issued its Fort Bragg Redevelopment Project Tax Allocation Bonds, Series 2004 in the original principal amount of $4,830,000 (the "Prior Bonds") for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the Prior Bonds are currently outstanding in the principal amount of $4,005,000; and

WHEREAS, the Oversight Board adopted a resolution on November 13, 2014, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage the necessary financial professionals to accomplish the refunding; and

WHEREAS, in connection with the foregoing direction, the Successor Agency adopted a resolution (the "Agency Resolution" which is attached to this Resolution as Exhibit A)

authorizing the issuance of bonds to be designated its 2015 Tax Allocation Refunding Bonds (the "Bonds") to refund all or a portion of the Prior Bonds (the "Refunded Bonds"), a copy of which has also been presented to the Oversight Board for approval; and

WHEREAS, the following documents and proposed agreements (collectively, the "Agency Documents") relating to the issuance, sale and delivery of the Bonds, which are incorporated herein by reference, have been presented to the Board of the Successor Agency for its review and approval:

1. an indenture with U.S. Bank National Association, as trustee (the "Trustee") providing for the issuance of the Bonds (the "Indenture");
2. a purchase contract with Brandis Tallman LLC, as underwriter (the "Underwriter") providing for the sale of the Bonds to the Underwriter for offer and sale by the Underwriter to members of the general public (the "Purchase Contract");
3. an official statement describing, among other things, the Successor Agency, the Indenture, the Bonds and the Fort Bragg Redevelopment Project Area, a preliminary form of which the Successor Agency has caused to be prepared in connection with the offering of the Bonds (the "Official Statement");
4. a continuing disclosure certificate to enable the Underwriter to satisfy the requirements of Rule 15c2-12 (as defined below) with respect to the Bonds (the "Continuing Disclosure Certificate"); and
5. an escrow agreement with U.S. Bank National Association, as escrow agent (the "Escrow Agent") providing for the irrevocable deposit of funds sufficient to repay the Refunded Bonds in a manner legally sufficient to defease the Refunded Bonds (the "Escrow Agreement").

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to Fort Bragg Redevelopment Successor Agency does hereby resolve as follows:

Section 1. Recitals Incorporated. The Recitals set forth above are true and correct, and are incorporated herein by reference.

Section 2. Approval of Successor Agency Actions. Subject to the approval of the State of California Department of Finance, the Oversight Board hereby approves the following actions of the Successor Agency:

(a) the issuance of the Bonds, either as a single issue or in separate series, as the Successor Agency shall determine; provided that, in conformity with Section 34177.5: (i) the total interest cost to maturity of the Bonds plus the principal amount of the Bonds do not exceed the total remaining interest cost to maturity on the Refunded Bonds refunded thereby plus the remaining principal of such Refunded Bonds and (ii) the principal amount of the Bonds does not exceed the amount required to defease the Refunded Bonds refunded thereby, to establish customary debt service reserves and to pay related costs of issuance;

(b) the sale of the Bonds as described in the Agency Resolution; provided, however, that such sale shall not result in less than 3% present value debt service savings;

(c) the execution and delivery of the Agency Documents; and

(d) all other actions of the Successor Agency described in the Agency Resolution.

Section 3. Filing of Documents. The Secretary to the Successor Agency is hereby authorized and directed to file the Agency Resolution and the Agency Documents, together with a certified copy of this Resolution of the Oversight Board, as provided in Sections 34179(h) and 34180 (j) with the Mendocino County Chief Executive Officer and Auditor-Controller and the State of California Department of Finance.

Section 4. Additional Authorizations. The Oversight Board further authorizes its staff and the Successor Agency to take such other actions as they deem necessary or convenient to expedite the process of review of the refunding transaction by the State of California Department of Finance.

The above and foregoing Resolution was introduced by Board Member Tichinin, seconded by Board Member Allen, and passed and adopted at a special meeting of the Oversight Board to Fort Bragg Redevelopment Successor Agency held on the 10th day of December, 2014, by the following vote:

AYES: **Board Members Allen, Dietz, Lindsey, Tichinin, and Chair Turner.**
NOES: **None.**
ABSENT: **Board Members Cimolino and Gjerde.**
ABSTAIN: **None.**

Dave Turner,
Chair

ATTEST:

Cynthia M. VanWormer, MMC
Oversight Board Secretary

EXHIBIT A

Agency Resolution
(see attached)

RESOLUTION NO. RS 13-*2014*

RESOLUTION OF THE FORT BRAGG REDEVELOPMENT SUCCESSOR AGENCY AUTHORIZING THE ISSUANCE OF REFUNDING BONDS AND APPROVING THE FORMS OF BOND DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 ("ABx1 26"); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Fort Bragg Redevelopment Agency (the "Former Agency"), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, all subsequent "Section" references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the "Dissolution Law") to clarify that successor agencies are separate public entities from their sponsoring city or county; and

WHEREAS, on July 23, 2012, the City of Fort Bragg (the "City") adopted Resolution No. 3559-2012 acknowledging the City as the Fort Bragg Redevelopment Successor Agency (the "Successor Agency"), and the Successor Agency adopted Resolution No. RS 01-2012, designating officers and adopting administrative and operating procedures; and

WHEREAS, pursuant to Section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Former Agency issued its Fort Bragg Redevelopment Project Tax Allocation Bonds, Series 2004 in the original principal amount of $4,830,000 (the "Prior Bonds") for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the Prior Bonds are currently outstanding in the principal amount of $4,005,000; and

WHEREAS, Section 34177.5 permits the Successor Agency to refinance the Prior Bonds, provided that certain savings and other parameters are met; and

WHEREAS, the Oversight Board adopted a resolution on November 13, 2014, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage the

necessary financial professionals to accomplish the refunding, and it is anticipated that the Oversight Board will adopt a resolution authorizing the issuance of refunding bonds; and

WHEREAS, pursuant to the foregoing direction, the Successor Agency has now determined to issue bonds to be designated its 2015 Tax Allocation Refunding Bonds (the "Bonds") to refund all or a portion of the Prior Bonds (the "Refunded Bonds"); and

WHEREAS, the following documents and proposed agreements relating to the issuance, sale and delivery of the Bonds, which are incorporated herein by reference, have been presented to the Board of the Successor Agency (the "Board") for its review and approval:

1. an indenture with U.S. Bank National Association, as trustee (the "Trustee") providing for the issuance of the Bonds (the "Indenture");
2. a purchase contract with Brandis Tallman LLC, as underwriter (the "Underwriter") providing for the sale of the Bonds to the Underwriter for offer and sale by the Underwriter to members of the general public (the "Purchase Contract");
3. an official statement describing, among other things, the Successor Agency, the Indenture, the Bonds and the Fort Bragg Redevelopment Project Area, a preliminary form of which the Successor Agency has caused to be prepared in connection with the offering of the Bonds (the "Official Statement");
4. a continuing disclosure certificate to enable the Underwriter to satisfy the requirements of Rule 15c2-12 (as defined below) with respect to the Bonds (the "Continuing Disclosure Certificate"); and
5. an escrow agreement with U.S. Bank National Association, as escrow agent (the "Escrow Agent") providing for the irrevocable deposit of funds sufficient to repay the Refunded Bonds in a manner legally sufficient to defease the Refunded Bonds (the "Escrow Agreement").

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Fort Bragg Successor Agency does hereby resolve as follows:

Section 1. Recitals Incorporated. The Recitals set forth above are true and correct, and are incorporated herein by reference.

Section 2. Authorization to Issue Bonds. Subject to the approval of the Oversight Board and the State of California Department of Finance, the Board hereby authorizes the issuance of the Bonds in accordance with the terms of the Indenture, as executed. The Bonds may be issued as a single issue or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the Bonds by the Successor Agency and the Oversight Board shall constitute approval of the Bonds, without the need for any further approval from the Oversight Board; provided that, in conformity with Section 34177.5: (i) the total interest cost to maturity of the Bonds plus the principal amount of the Bonds do not exceed the total remaining interest cost to maturity on the Refunded Bonds refunded thereby plus the remaining principal of such Refunded Bonds and (ii) the principal amount of the Bonds does not exceed the amount required to defease the Refunded Bonds refunded thereby, to establish customary debt service reserves and to pay related costs of issuance.

Section 3. Indenture. The Board hereby approves the Indenture in substantially the form filed with the Secretary of the Board. The Chair, the Executive Director, the Finance Director and the Secretary, or their authorized designees (the "Authorized Officers"), and each of them individually, are hereby authorized and directed, for and on behalf of the Successor Agency, to execute and deliver the Indenture in substantially said form, with such changes therein as any of the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Purchase Contract. The Board hereby approves the Purchase Contract in substantially the form filed with the Secretary of the Board. The Authorized Officers are each hereby authorized and directed, for and on behalf of the Successor Agency, to accept the offer of the Underwriter to purchase the Bonds as provided in the Purchase Contract and to execute and deliver the Purchase Contract in substantially said form, with such changes therein as any of the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes shall not result in less than 3% present value debt service savings.

Section 5. Official Statement and Continuing Disclosure Agreement. The Board hereby approves the preliminary Official Statement describing, among other things, the Bonds, the Indenture and the Successor Agency in substantially the form filed with the Secretary of the Board. The Authorized Officers are each hereby authorized and directed, for and on behalf of the Successor Agency, to execute a certificate ("Rule 15c2-12 Certificate") deeming the preliminary Official Statement to be final as of its date, except for certain final pricing and related information pursuant to Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). Prior to the printing and distribution of the preliminary Official Statement and execution and delivery of the Rule 15c2-12 Certificate, the Authorized Officers may authorize such changes therein as become necessary in furtherance of the completeness and accuracy of the information contained therein. Distribution of such preliminary Official Statement by the Underwriter to prospective purchasers of the Bonds is hereby approved.

The Authorized Officers are each hereby authorized and directed, for and on behalf of the Successor Agency, to execute the final form of the Official Statement in substantially the form of the preliminary Official Statement as printed and distributed and as finalized to include the final pricing and related information as it may be modified by such changes therein as such Authorized Officer shall deem necessary, desirable or appropriate, and the execution of the final Official Statement by such Authorized Officer shall be conclusive evidence of the approval of any such changes. Distribution of such final Official Statement by the Undewriter to purchasers of the Bonds is hereby approved.

In addition, the Board hereby authorizes and directs each of the Authorized Officers to execute and deliver, for and on behalf of the Successor Agency, a Continuing Disclosure Certificate, as required by the provisions of the Indenture, the form of which is included as an appendix to the Official Statement, to enable the Underwriter to satisfy the requirements of Rule 15c2-12 with respect to the Bonds.

Section 6. Escrow Agreement. The Board hereby approves the Escrow Agreement in substantially the form filed with the Secretary of the Board. The Authorized Officers are each hereby authorized and directed, for and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as any

of the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Bank Qualification. The Board hereby confirms that neither it nor the City has any present intention of providing for the issuance of any additional tax-exempt obligations during calendar year 2015 and believes that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Successor Agency and the City in calendar year 2015 will not exceed $10,000,000, and based on the foregoing, the Bonds are hereby designated as qualified tax-exempt obligations pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 8. Execution of the Bonds. Each of the Authorized Officers are hereby authorized and directed to execute the Bonds on behalf of the Successor Agency in accordance with the terms of the Indenture, as executed. Such execution as herein provided shall be a sufficient and binding execution of the Bonds by the Successor Agency.

Section 9. General Authorization. The Board hereby authorizes and directs the Authorized Officers, and each of them, for and in the name of and on behalf of the Board, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Bonds, to make any changes to the forms of the legal documents approved in this Resolution as necessary or desirable to comply with the terms of municipal bond insurance or obtaining a reserve fund surety, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed and approved in all respects.

Section 10. Effective Date. This Resolution shall take effect immediately upon its passage.

The above and foregoing Resolution was introduced by Successor Agency Member Deitz, seconded by Successor Agency Member Hammerstrom, and passed and adopted at a regular meeting of the Fort Bragg Redevelopment Successor Agency held on the 8th day of December, 2014, by the following vote:

AYES:	**Agency Members Peters, Cimolino, Deitz, Hammerstrom, and Chair Turner.**
NOES:	**None.**
ABSENT:	**None.**
ABSTAIN:	**None.**

DAVE TURNER,
Chair

ATTEST:

Cynthia M VanWormer

Cynthia M. VanWormer, MMC
Successor Agency Secretary