

RESOLUTION NO. 2889-2005

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING, AUTHORIZING AND DIRECTING THE REFINANCING OF THE CITY'S 1995 CERTIFICATES OF PARTICIPATION AND AUTHORIZING RELATED ACTIONS

WHEREAS, the City of Fort Bragg (the "City") has determined that substantial net dollar savings can be realized through the refinancing of the outstanding amount of the City's Certificates of Participation (1995 Refunding and Landfill Closure Program) dated June 1, 1995 (the "1995 COPs"); and

WHEREAS, the Council has determined that it is in the best interests and for the common benefit of the residents and landowners of the City for the City to refinance the 1995 COPs through the execution and delivery of: (i) a Ground Lease dated, for reference purposes, as of September 1, 2005 (the "Ground Lease") pursuant to which the City will lease the sites of the City's Town Hall (363 N. Main Street) and the City's Corporation Yard (831 Cedar Street) (collectively, the "Sites") to the City of Fort Bragg Joint Powers Financing Authority (the "Authority"); and (ii) a Refinancing Lease/Purchase Agreement dated, for reference purposes, as of September 1, 2005 (the "Lease"), between the City and Authority, which provides for the payment by the City of Rental Payments for the improvements on the Sites, said Rental Payments to be made by the City from any lawfully available revenues of the City; and

WHEREAS, Delta Managed Solutions, LLC, on behalf of the City, solicited bids from financial institutions to accept an assignment of the lease, which bids set forth an interest rate to be used to determine the lease payments to be made by the City under the Lease; and

WHEREAS, WestAmerica Bank ("WestAmerica") submitted the lowest bid of 4.15%, effective through September 15, 2005, which produces savings in General Fund lease/rent payments of approximately \$450,000 in nominal terms or \$300,000 in discounted presented value terms and also eliminates City lease/rent payments for five fiscal years 2021 through 2025.

NOW THEREFORE, the City Council of Fort Bragg does hereby RESOLVE, DETERMINE AND ORDER, as follows:

Section 1. The above recitals are all true and correct.

Section 2. The Council hereby authorizes and directs the execution and delivery of the Ground Lease and the Lease, which Lease shall have principal components aggregating not more than an amount of \$2,000,000, as shall be approved by the City Manager, Finance Director or other authorized executing official of the City, such approval to be conclusively evidenced by the execution thereof as herein authorized. The right to receive lease payments under the lease will be assigned to WestAmerica pursuant to an Assignment to be approved and executed by the Authority. Substantially final forms of the Ground Lease and the Lease are on file with the City Clerk.

Section 3. The Council hereby authorizes and directs the City Manger or the Finance Director to execute and deliver a termination agreement or any other

appropriate documents deemed necessary by Special Counsel (defined below) to terminate the leases entered by the City in connection with the 1995 COPs.

Section 4. In connection with the refinancing of the 1995 COPs contemplated by this resolution, the City hereby retains the following firms and authorizes and directs the Finance Director to pay costs incidental to the refinancing authorized hereby, including the fees of the following firms: Delta Managed Solutions, LLC (Financial Advisor); A. M. Peche and Associates, LLC (Finance Advisor) and Lofton & Jennings (Special Counsel).

Section 5. The Council hereby authorizes and directs:

(a) The City Manager, Finance Director or other authorized executing official to execute and deliver said Ground Lease and said Lease, and all closing documents in connection therewith, as appropriate, for and in the name of and on behalf of the City;

(b) The appropriate officers of the City, jointly and severally, for and in the name of and on behalf of this City, to execute and deliver any and all things and to take any and all actions which may be necessary or advisable in their discretion to fulfill the actions and consummate the transactions heretofore approved by this Council; and

(c) The appropriate officers of the City to make such additional filings, amendments, consents, undertakings or agreements as may be required to affect and maintain the qualifications and exemptions existing or to be obtained under the laws of the State of California and the laws of the United States of America.

Section 6. The Council hereby ratifies and confirms all actions heretofore taken in connection with the authorization, execution and delivery of the Ground Lease and the Lease and other documents related thereto.

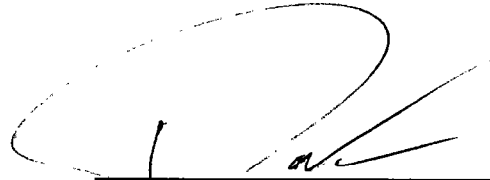
Section 7. The City hereby designates the Lease for purposes of Section 265(b) of the Code as a "Qualified Tax-Exempt Obligation" and covenants that the Lease does not constitute a private activity bond as defined in Section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the City (including all subordinate entities of the City and all entities which may issue obligations on behalf of the City) during the calendar year 2005 is not reasonably expected to exceed \$10,000,000, 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) and current refinancing obligations having a principal amount not in excess of the refunded obligation.

Section 8. This resolution shall take effect immediately upon adoption.

The above and foregoing Resolution was introduced by Councilmember Baltierra, seconded by Councilmember Gjerde, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 12th day

of September, 2005, by the following vote:

AYES: Councilmembers Gjerde, Baltierra, Hammerstrom, Melo, and Mayor Turner.
NOES: None.
ABSENT: None.
ABSTAIN: None.



DAVE TURNER,
Mayor


ATTEST:



Cynthia M. VanWormer, CMC
City Clerk

STATE OF CALIFORNIA)
)ss
COUNTY OF MENDOCINO)

I, Cynthia M. VanWormer, CMC, City Clerk of the City of Fort Bragg, California, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly adopted by the City Council of the City of Fort Bragg at a regular meeting thereof on the date and by the vote above stated, which resolution is on file and of record in the office of said City.



Cynthia M. VanWormer, CMC, City Clerk