

RESOLUTION NO. 3705-2014

RESOLUTION OF THE FORT BRAGG CITY COUNCIL AUTHORIZING THE ISSUANCE OF A WATER REVENUE REFUNDING BOND IN AN AMOUNT NOT TO EXCEED \$3,000,000 TO REFUND OUTSTANDING INDEBTEDNES, THE EXECUTION AND DELIVERY OF A BOND ISSUANCE AGREEMENT AND AN ESCROW AGREEMENT, ENGAGEMENT OF PROFESSIONAL SERVICES AND OTHER MATTERS RELATED THERETO

WHEREAS, the City of Fort Bragg (the "City") is duly organized and existing under the laws of the State of California and is authorized pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (commencing with Section 53570) to issue refunding bonds for the purpose of refinancing the City's outstanding portion of California Statewide Communities Development Authority Water and Wastewater Revenue Bonds (Pooled Financing Program), Series 2003B (the "Refunded Bonds"); and

WHEREAS, in order to provide funds to refinance the Refunded Bonds, the City proposes to issue its City of Fort Bragg (Mendocino County, California) 2014 Water Revenue Refunding Bond in the aggregate principal amount of not to exceed \$3,000,000 (the "Bond"; and

WHEREAS, the Bond will be issued and secured pursuant to the terms of a Bond Issuance Agreement (the "Issuance Agreement") and a portion of the proceeds of the Bond will be deposited into an irrevocable escrow for full redemption of the Refunded Bonds; and

WHEREAS, the City Council has determined to sell the Bond privately to BBVA Compass Bank (or a related entity) or such other investor to be determined by the City Council (the "Purchaser") with Brandis Tallman LLC serving as placement agent (the "Placement Agent"); and

WHEREAS, the City has duly considered and wishes at this time to approve the issuance of the Bond, the execution and delivery of the Issuance Agreement, the Escrow Agreement and such other agreements and documents as are necessary or convenient to effectuate the issuance and sale of the Bond and the refunding of the Refunded Bonds, and the engagement of professional services relating thereto;

BE IT RESOLVED, by the City Council of the City of Fort Bragg, as follows:

Section 1. Issuance of the Bond. The City Council hereby approves the issuance of the Bond by the City in the aggregate principal amount of not to exceed \$3,000,000 to refund the Refunded Bonds and to pay costs of issuance of the Bond; provided that the issuance of the Bond to refund the Refunded Bonds will result in no less than 3% net present value debt service savings.

Section 2. Approval of the Issuance Agreement. The City Council hereby approves the Issuance Agreement, in the substantially final form on file with the City Clerk and presented to this meeting. The City Manager or Finance Director, or his or her respective designee(s) (each, an "Authorized Officer"), is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Issuance Agreement in

substantially said form, with such additions, changes or insertions thereto as hereafter are necessary in the interest of the City as approved by any Authorized Officer, in consultation with Bond Counsel, to complete the issuance of the Bond, and such approval is conclusively evidenced by such Authorized Officer's execution and delivery thereof.

Section 3. Authorization of Escrow Agreement. The City Council hereby approves the escrow agreement (the "Escrow Agreement") with Union Bank, N.A. (the "Escrow Agent"), in the substantially final form on file with the City Clerk and presented to this meeting, that provides for the irrevocable deposit of funds sufficient to repay the Refunded Bonds. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Escrow Agreement in substantially said form, with such additions, changes or insertions thereto as hereafter are necessary in the interest of the City as approved by the any Authorized Officer, in consultation with Bond Counsel, to complete the refunding of the Refunded Bonds, and such approval is conclusively evidenced by the such Authorized Officer's execution and delivery thereof.

Section 4. Bank Qualification. The City Council confirms that it has no present intention of providing for the issuance of any further tax-exempt obligations of the City during calendar year 2014 and believes that the reasonably anticipated amount of tax-exempt obligations which will be issued by the City in calendar year 2014 will not exceed \$10,000,000, and based on the foregoing, the Bond is hereby designated as qualified tax-exempt obligations pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 5. Engagement of Professional Services. Each Authorized Officer is authorized to execute professional services agreements on behalf of the City with Brandis Tallman LLC, as placement agent, and Meyers, Nave, Riback, Silver & Wilson, as bond counsel, in connection with the issuance, sale and delivery of the Bond.

Section 6. Further Actions. The City Manager, the Finance Director, the City Clerk, the City Attorney and all other officers, agents and employees of the City are hereby authorized and directed, in the name and on behalf of the City, to take such actions, execute and deliver such documents, certificates and opinions, and do any and all things which are customary or they, or any of them, in consultation with Bond Counsel, deem necessary or desirable to accomplish the lawful issuance and sale of the Bond and the refunding of the Refunded Bonds in accordance with the Issuance Agreement, the Escrow Agreement and this Resolution. Whenever the City Manager, the Finance Director, the City Clerk or the City Attorney is authorized and directed to take any action or execute any document pursuant to this Resolution, in the absence of the City Manager, the Finance Director, the City Clerk or the City Attorney, such other persons as are designated by further action of the City Manager, the Finance Director, the City Clerk or the City Attorney, are also authorized to take such actions or execute such documents, and such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

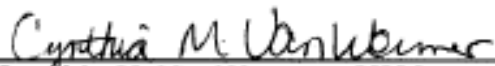
The above and foregoing Resolution was introduced by Councilmember Kraut, seconded by Councilmember Courtney, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 27th day of May, 2014, by the following vote:

AYES: Councilmembers Courtney, Hammerstrom, Kraut, and Mayor Turner.
NOES: None.
ABSENT: Councilmember Deitz.
ABSTAIN: None.



DAVE TURNER,
Mayor

ATTEST:



Cynthia M. VanWormer, MMC
City Clerk