

RESOLUTION NO. 04-8

RESOLUTION DELEGATING AUTHORITY TO THE EXECUTIVE OFFICER TO DETERMINE METHOD OF AND TO CONSUMMATE FINANCING FOR INSURANCE PREMIUM

WHEREAS, this Board has authorized the Executive Officer of the Fort Ord Reuse Authority (the "Authority") to enter into an agreement with Marsh, Inc. to assist the Authority and its member land use jurisdictions in securing a pollution legal liability insurance policy (the "Insurance Policy") in connection with the reuse of the real property comprising the military reservation known as Fort Ord; and

WHEREAS, in order to obtain the Insurance Policy it will be necessary to bind the Insurance Policy before December 31, 2004, and to pay a premium, California surplus line taxes and other related costs of approximately \$6,000,000 within 30 days thereafter; and

WHEREAS, Authority Staff and its Financial Advisor have identified several means by which the Authority could finance the premium for the Insurance Policy, and this Board now desires to delegate to the Executive Officer the authority (i) to determine the most favorable method or methods of financing the premium for the Insurance Policy, (ii) to consummate such financing as is necessary to enable the Authority to pay, when due, the premium for the Insurance Policy, and (iii) to take such action as are necessary to bind the Insurance Policy prior to December 31, 2004; and

WHEREAS, this Board has heretofore established the Fort Ord Reuse Authority Basewide Community Facilities District (the "CFD"), and this Board acts as the legislative body of the CFD; and

WHEREAS, this Board, acting as the legislative body of the CFD, now desires to authorize the Executive Officer to invest funds of the CFD in a general obligation note of the

Authority as determined by the Executive Officer to be necessary to consummate the financing of the premium for the Insurance Policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fort Ord Reuse Authority as follows:

1. The Executive Officer is hereby delegated the authority to select the best method, in his discretion, for the Authority to finance the premium for the Insurance Policy, to implement such financing or financings and to take all actions on the part of the Authority necessary to bind the Insurance Policy. The financing methods that the Executive Officer may consider include (i) the issuance of a general obligation note (the "Note") of the Authority, (ii) the borrowing pursuant to the Authority's existing line of credit with First National Bank of Central California (the "Bank"), as it may be increased by the Bank, or pursuant to other arrangements with the Bank, as determined appropriate by the Executive Officer upon consultation with the Authority's Financial Advisor, and/or (iii) the obtaining of premium financing from the provider of the Insurance Policy or another entity which provides insurance premium financing and, as necessary to procure the same, the obtaining of a letter of credit in connection therewith.

2. The Executive Officer is hereby authorized to execute and deliver such documents and certificates, for and on behalf of the Authority, as he determines are necessary or appropriate to consummate one or more of the financings described in Section 1 above, provided that the aggregate amount of such financings shall not exceed \$6,000,000, and the proceeds of such financings shall be used solely to pay the premium for the Insurance Policy and related costs, and cost incurred in connection with such financing or financings.

3. The Board hereby authorizes the issuance of the Note, at the discretion of the Executive Officer, in a principal amount of not to exceed \$6,000,000, with the proceeds of the Note to be used solely to pay the premium for the Insurance Policy and costs related thereto and

any costs related to the issuance of the Note. The Note shall be payable from any lawfully available funds of the Authority, the maturity date of the Note shall be not later than June 30, 2005, and the interest rate payable on the Note shall not exceed 3% per annum. The Note shall be prepayable at any time, without premium, and all interest accruing on the Note shall be paid at its maturity or earlier date of prepayment.

The Executive Director is hereby authorized to determine whether or not to issue the Note pursuant to the authority granted to him in Section 1 above, and to determine the detailed terms of the Note within the parameters of the preceding paragraph. The Note, if it is issued, shall be executed and delivered by the Executive Officer, whose execution thereof shall be conclusive evidence of the approval by the Board of the terms of the Note.

4. The Board, acting as the legislative body of the CFD, hereby authorize the Executive Officer to invest funds of the CFD which he determines are not required for the immediate needs of the CFD in the Note, if and when the Note is issued.

5. The firm of Quint & Thimmig LLP is hereby designated as bond counsel to the Authority in connection with the Note, and as bond and disclosure counsel to the Authority in connection with any tax allocation financing of the Authority the proceeds of which are used to pay the premium for the Insurance Policy, to repay the Note or to repay any other financing used to pay the premium for the Insurance Policy. The Executive Officer is hereby authorized and directed to execute an agreement for legal services with such firm in a form acceptable to the Executive Officer and the Authority's General Counsel, so long as the compensation to such firm related to the Note is not in excess of \$10,000, and the payment of any compensation to such firm in connection with any tax allocation notes is contingent upon the issuance of such tax allocation notes and is payable solely from the proceeds of such tax allocation notes when and if they are issued.

6. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Fort Ord Reuse

Authority this 10th day of December, 2004, by the following vote:

AYES: Board Members Mettee-McCutchon, Russell, McCloud, Calcagno, Albert, Costello, Pendergrass, Rubio, Mancini, Morrison, and Barnes

NOES: None

ABSTAIN: None

ABSENT: Board Members Johnsen and Potter

I, ILA METTEE-McCUTCHON, Acting Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered in the minutes hereof in Item 8b, page 3 of the duly approved minutes dated December 10, 2004.

DATED: 1-5-05

By: 
ILA METTEE-McCUTCHON
Acting Chair, Board of Directors
Fort Ord Reuse Authority

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