

RESOLUTION NO. 06-2

RESOLUTION DELEGATING AUTHORITY TO THE EXECUTIVE OFFICER TO DETERMINE METHOD OF AND TO CONSUMMATE A NEW LINE OF CREDIT IN THE AMOUNT OF \$10,000,000

WHEREAS, the Fort Ord Reuse Authority (the "Authority") entered into several agreements with jurisdictions for deploying the Authority's obligations under the Capital Improvement Program ("CIP") for habitat, transportation, and deconstruction - including Memoranda of Agreement with developers, the City of Marina, the County, the Transportation Agency for Monterey County, the University of California, and others; and

WHEREAS, the cash flow expectations, restrictions on certain investments, and uncertainty about property transfer timing may create some uneven interim cash flow situations; and

WHEREAS, Authority Staff and its Financial Advisor have determined that a larger interim line of credit capacity, up to \$10,000,000, is needed for significant CIP monthly construction cash flow demands; and

WHEREAS, this Board has authorized the Executive Officer to add a new line of credit with Community Bank of Central California (the "Bank") in the amount of \$10,000,000 to provide flexibility in making payments for approved CIP obligations.

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 a new line of credit in the amount of \$10,000,000, to implement such financing or financings and to take all actions on the part of the Authority necessary to secure the line of credit. The financing method that the Executive Officer may consider includes the borrowing pursuant to the Authority's existing line of credit with 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.

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 the new line of credit described in Section 1 above, provided that the aggregate amount of the new line of credit shall not exceed \$10,000,000, and the proceeds of such financing shall be used solely to pay the financing premium and related costs, and cost incurred with such financing.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Fort Ord Reuse Authority this 12th day of January, 2006, by the following vote:

AYES: 11 Supervisors Smith and Calcagno; Mayors Mettee-McCutchon, Russell, Rubio, McCloud, Pendergrass, Costello and Albert, and Councilmembers Mancini and Morrison

NOES: -0-

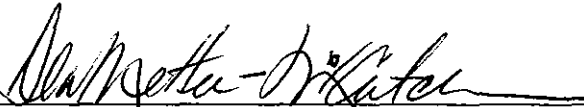
ABSTAIN: -0-

ABSENT: 2 Supervisor Potter and Councilmember Sanchez

I, ILA METTEE-McCUTCHON, 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 9b, page 4 of the duly approved minutes dated January 12, 2006.

DATED: 1-25-06

BY:



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