

FORT ORD REUSE AUTHORITY Resolution 14-14

Resolution of the Fort Ord Reuse Authority Board Delegating Authority to Negotiate and Enter into an Extension of the Existing \$19,000,000 Loan with Rabobank, N.A.

WHEREAS, in 2010 the Fort Ord Reuse Authority (the "Authority") borrowed \$19,000,000 (the "Loan") from Rabobank, N.A. ("Rabobank"), for a four year term ending on June 14, 2014; and

WHEREAS, that loan was extended per the request of the Authority's Board of Directors for a six month period ending December 15, 2014 under the same terms and conditions as had prevailed since its inception, except for the expiration of the former swap contract; and

WHEREAS, the Loan is secured by among other things real property commonly known as the "Preston Park Apartments;" and

WHEREAS, due to the length of time taken to reach a final resolution of the litigation between the City of Marina, one of the Authority's constituent members, and the Authority, it will not be possible for the Authority to repay the loan on its extended maturity date of December 15, 2014; and

WHEREAS, it is the unanimous desire of the Board of the Authority to avoid a default on, and possible foreclosure of, the Loan on the Preston Park Apartments; and

WHEREAS, Rabobank has indicated its willingness to consider a possible second six-month extension of the Loan for a period of 181 days, expiring on June 15, 2015;

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

1. Michael A. Houlemard, Jr., as the Executive Officer is hereby delegated the authority to negotiate with Rabobank for a six month extension of the Loan which is due on December 15, 2014 and to take all actions on the part of the Authority necessary to obtain an extension of the Loan. It is understood that Rabobank has not made a commitment to extend the Loan, and will not do so prior to completing its analysis and due diligence, and any such action is subject to the bank's internal approval process. The Authority believes that Rabobank will authorize the extension provided that the Authority's Board unanimously approves the extension request under terms generally reflecting the following:
 - (a) Term: six months, with a maturity date of June 15, 2015;
 - (b) Amount: Not to exceed \$19,000,000.00;
 - (c) Interest rate: To be floating at the 30-day LIBOR rate plus 3.50% for the extension term; the indicative rate today would be 3.66%;
 - (d) Extension fee: Not to exceed 25 basis points;
 - (e) Swap contract: The extension will not have a SWAP during the extension period; and
 - (f) Costs of the extension, including any legal fees, recording fees and other closing costs, shall be paid according to the terms of the settlement agreement between the Authority and the City of Marina.

2. Michael A. Houlemard, Jr., as the Executive Officer is further authorized to execute and deliver all such instruments, documents, certificates and agreements, for and on behalf of the Authority, as he determines are necessary or appropriate to extend the Loan as described in Section 1 above.

BE IT FURTHER RESOLVED, that any and all acts previously taken by Mr. Houlemard and the Authority in furtherance of and consistent with the actions authorized under these resolutions are hereby ratified.

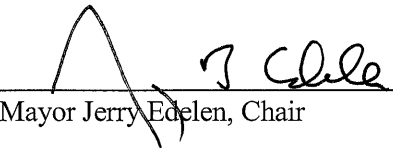
BE IT FURTHER RESOLVED, that Rabobank is authorized to rely and act on the foregoing resolutions until written notice of revocation by all of the Board is received by the bank at 915 Highland Point Dr., Suite 350, Roseville, CA 95678.

AND BE IT FINALLY RESOLVED, that this Resolution is to be presented to Rabobank in addition to any other Resolutions that have been presented to it on behalf of the Authority prior to the dates set forth below.

The undersigned Chair and the Clerk of the Fort Ord Reuse Authority Board hereby represent and certify that: (i) the Authority is organized and existing under the laws of the State of California and is in good standing at this time; and (ii) the resolutions set forth above have been properly authorized and are in full force and effect.

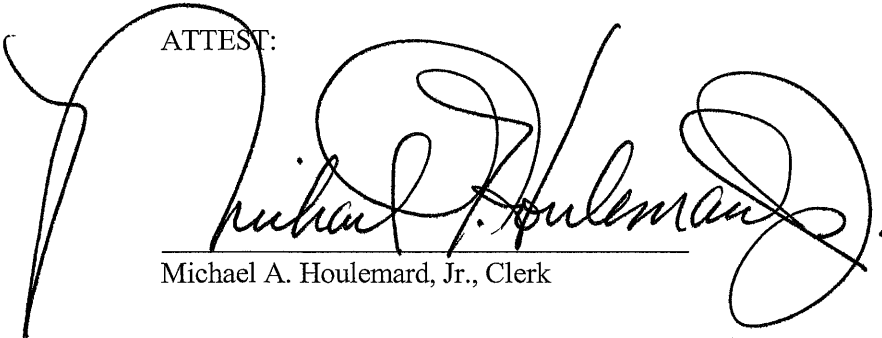
Upon motion by Mayor Rubio, seconded by Mayor Gunter, the foregoing Resolution was passed on this 12th day of December, 2014, by the following vote:

AYES:	BEACH, EDELEN, GUNTER, LUCIUS, MORTON, O'CONNELL, OGLESBY, PARKER, PENDERGRASS, POTTER, RUBIO, HAFFA
NOES:	NONE
ABSTENTIONS:	NONE
ABSENT:	CALCAGNO



Mayor Jerry Edelen, Chair

ATTEST:



Michael A. Houlemard, Jr., Clerk