

RESOLUTION NO. 06-8

**RESOLUTION AUTHORIZING EXECUTIVE OFFICER TO ADD
NEW LINE OF CREDIT WITH COMMUNITY BANK OF
CENTRAL CALIFORNIA IN THE AMOUNT OF \$10,000,000, AND
ALLOWING A PORTION THEREOF TO BE TAX-EXEMPT**

WHEREAS, on January 12, 2006, the Board of Directors of the Fort Ord Reuse Authority (the "Authority") adopted Resolution No. 06-2 (the "Prior Resolution") delegating to the Executive Officer the authority to select the best method for the Authority to finance a new revolving line of credit in the amount of \$10,000,000 (the "Line of Credit"), and to implement such financing in order to provide funds for CIP monthly construction cash flow demands of the Authority; and

WHEREAS, Authority Staff, following consultation with the Authority's financial consultants, have determined that a portion of the Line of Credit could be tax-exempt, thereby resulting in reduced borrowing costs to the Authority; and

WHEREAS, the Board now desires to adopt this Resolution in order to expand the authority of the Executive Officer with respect to the Line of Credit so that, if it is determined to be appropriate, a portion of the Line of Credit may be tax-exempt.

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

1. 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, or as otherwise required by Community Bank of Central California (the "Bank"), to obtain the Line of Credit in the amount of \$10,000,000, in order to provide financing for building demolition and site clearance activities of the Authority, to fund other activities of the Authority related to the Authority's CIP program, and to pay costs related to the foregoing as well as costs incurred in connection with obtaining the Line of Credit. The Executive Officer is hereby expressly authorized to execute a deed of trust on the Preston Park property as required by the Bank to secure the repayment of the Line of Credit, and such other business loan agreements, notes, financing statements, and certificates as are required by the Bank to implement the Line of Credit.

2. To the extent determined by the Executive Officer, upon consultation with the Authority's financing consultants and counsel, that a portion of the Line of Credit may be tax-exempt, the Executive Officer is hereby authorized to execute such modifications to the documents for the Line of Credit, and such additional documents and certificates as he determines are necessary or desirable, in order that the interest on a portion of the borrowing represented by the Line of Credit may be excludable from the gross income of the Bank for federal income tax purposes, and thereby be tax-exempt. In such circumstances, the Executive Officer is hereby expressly authorized to file such

form or forms with the Internal Revenue Service as are determined by bond counsel to the Authority to be necessary for any such portion of the Line of Credit to be tax-exempt.

3. The firm of Quint & Thimmig LLP is hereby designated as bond counsel to the Authority in connection with the Line of Credit. The Executive Officer is hereby authorized 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 Line of Credit is not in excess of \$10,000,000.

4. Except as modified by this Resolution, including the authorization of the purpose of the Line of Credit, certain specific documents necessary to implement the same, and the possible conversion of a portion of the Line of Credit to tax-exempt, the provisions of the Prior Resolution are hereby ratified and confirmed.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Fort Ord Reuse Authority this 10th day of March, 2006, by the following vote:

AYES: 10 Directors Mettee-McCutchon, Rubio, McCloud, Albert, Mancini, Russell, Costello, Pendergrass, Smith, and Morrison

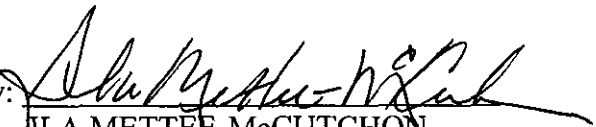
NOES: -0-

ABSTAIN: -0-

ABSENT: 3 Directors Calcagno, Potter, and 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 5b, page 2 of the board meeting minutes of March 10, 2006 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

DATED: 3/29/06

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

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