

## RESOLUTION NO. 5030

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD AUTHORIZING THE ISSUANCE OF REFUNDING BONDS, APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS

**WHEREAS**, the City Council (the "City Council") of the City of Soledad (the "City") has previously formed its Reassessment District No. 2000-01 (The Vineyards) ("Reassessment District") and confirmed reassessments on the various parcels located therein to refinance the costs of certain improvements of special local benefit to said parcels (the "Prior Reassessments"), all pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the Streets and Highways Code of California) (the "Act"); and

**WHEREAS**, the City Council has previously caused bonds to be issued on behalf of the Assessment Districts (the "Prior Bonds") pursuant to the provisions of the Act in order, among other things, to refinance the costs of the aforesaid improvements; and

**WHEREAS**, the Prior Bonds are secured by the unpaid Reassessments; and

**WHEREAS**, the City Council has previously adopted its "Resolution of the Council of the City of Soledad Declaring its Resolution to Levy Reassessments and to Issue Refunding Bonds" (the "Resolution of Intention") in and for the "City of Soledad Reassessment District No. 2000-01 (The Vineyards)" in which it determined that, in order to benefit taxpayers within the Reassessment District, by reducing the amount of the installments of the Reassessments being levied each year on the parcels within the Reassessment District, the public interest and necessity required that the outstanding Prior Bonds be refunded, and in which the City Council declared its intention to accomplish the refunding through the new levy of reassessments and the issuance of refunding bonds upon the security thereof, all pursuant to the Act; and

**WHEREAS**, among other things, in the Resolution of Intention, the City Council directed the making and filing of a reassessment report (the "Report") in writing, all in accordance with and pursuant to the Act; and

**WHEREAS**, the Report was duly made and filed with the City Clerk and was duly considered by the City Council and found to be sufficient in every particular; and

**WHEREAS**, subsequent to its receipt and review of the Report, the City Council adopted its "Resolution of the City Council of the City of Soledad Adopting the Reassessment Report, Confirming and Ordering the Reassessment by Summary Proceedings, and Authorizing and Directing Related Actions" (the "Resolution Confirming the Reassessment") in which, among other things, it found that all of the conditions set forth in Section 9525 of the Act had been satisfied, approved the Report and confirmed the reassessment; and

**WHEREAS**, the proceedings for the reassessment under the Act and the Resolution of Intention are now completed, and the City Council wishes to provide for the issuance of refunding bonds hereinafter described (the "Refunding Bonds") on the security of such unpaid reassessments pursuant to the Act; and

**WHEREAS**, the Refunding Bonds shall be issued under and in accordance with the Indenture, dated as of November 15, 2014 (the "Indenture"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee") in an aggregate principal amount not to exceed the aggregate amount of the unpaid reassessment; and

**WHEREAS**, in order to effect the issuance of the Refunding Bonds, the City Council desires to approve the form of a Preliminary Official Statement for the Refunding Bonds (the "Preliminary Official Statement") and to approve the forms of and to authorize the execution and delivery of the Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and a Refunding Escrow Agreement, in substantially the forms on file with the City Clerk and to authorize such changes and additions thereto as the Authorized Officers (defined herein) deem necessary or desirable; and

**WHEREAS**, the City Council has determined that a negotiated sale of the Refunding Bonds to Stifel Nicolaus & Company, Incorporated as Underwriter (the "Underwriter"), in accordance with the terms of the Bond Purchase Agreement to be entered into by the City and the Underwriter (the "Bond Purchase Agreement") will result in a lower overall cost to the City than a sale of the Refunding Bonds on sealed proposals to the highest bidder in that a negotiated sale will allow for adequate time to pre-market the Refunding Bonds and for the timing of the sale of the Refunding Bonds to be flexible, thereby maximizing the likely debt service savings to the City; and

**WHEREAS**, the City Council has determined that it is prudent in the management of its fiscal affairs to issue the Refunding Bonds and that the issuance of the Refunding Bonds will achieve debt service savings and will benefit taxpayers within the Reassessment District; and

**WHEREAS**, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bonds and the levy of the reassessments as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Soledad as follows:

**SECTION 1.** The above recitals, and each of them, are true and correct.

**SECTION 2.** The City Council finds that the issuance of the Refunding Bonds as described in the Preliminary Official Statement will provide significant public benefits by reducing the total amount of installments of reassessments to be levied for debt service within the Reassessment District.

**SECTION 3.** The City Council has determined to defease the Prior Bonds, subject to the provisions of Section 5 below regarding debt service savings, through (a) the issuance of its Refunding Bonds pursuant to the Indenture and a Bond Purchase Agreement and (b) the application of certain existing funds are being held in connection with the Prior Bonds to such defeasance.

**SECTION 4.** The City is authorized pursuant to the Act to issue the Refunding Bonds for the purpose of refunding the Prior Bonds.

**SECTION 5.** The issuance of the Refunding Bonds in a principal amount not to exceed \$3,100,000 is hereby authorized, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 10 below. The Refunding Bonds may be issued to refund the Prior Bonds only if the City Manager, any Assistant or Deputy City Manager, the Finance Director or such other officials of the City as may be designated in writing by the City Manager or the Finance Director (each an "Authorized Officer") determines that there is an economic benefit to the City in the form of aggregate net present value savings of at least 3%, expressed as a percentage of the par amount of the Prior Bonds to be refunded by the Refunding Bonds. Each of the foregoing determinations to be made by the Finance Director, or his designee, will be conclusively evidenced by the execution of the Bond Purchase Agreement by the City and the Underwriter.

**SECTION 6.** The Refunding Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement. The Refunding Bonds shall be governed by the terms and conditions of the Indenture.

**SECTION 7.** The form of the Indenture presented at this meeting is hereby approved. The Indenture shall be executed by any of the Authorized Officers, substantially in the form of the Indenture presented at this meeting, with such additions thereto and changes therein as the Authorized Officer executing the same deem necessary or desirable, including to insert the offering price(s), interest rate(s), principal amount per maturity, redemption dates and prices, reserve account deposits and such other related terms and provisions or to conform any provisions therein to the Bond Purchase Agreement and the Official Statement delivered to the purchasers of the Refunding Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by any one of the Authorized Officers. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

**SECTION 8.** The Refunding Bonds shall be executed by the manual or facsimile signature of the City Treasurer; and the seal of the City, or a facsimile thereof, may be impressed or imprinted thereon and the signature of the City Treasurer shall be attested to with the manual or facsimile signature of the City Clerk or Deputy City Clerk.

**SECTION 9.** The covenants set forth in the Indenture are hereby approved and shall be deemed to be covenants of the City Council and shall be complied with by the City and its officers.

**SECTION 10.** The Underwriter is hereby appointed for purposes of offering the Refunding Bonds for sale in accordance with the provisions of the Bond Purchase Agreement and the Indenture. The form of the Bond Purchase Agreement presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement substantially in the form presented at this meeting, with such additions thereto and changes therein as the Authorized Officer executing the same deem necessary or desirable, including to conform the Bond Purchase Agreement to the dates, amounts

and interest rates applicable to the Refunding Bonds. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if the requirements of Section 5 hereof have been satisfied and that the Underwriter's discount in connection with the Refunding Bonds shall not exceed \_\_\_\_\_%.

SECTION 11. The form of the Continuing Disclosure Agreement attached to the Preliminary Official Statement and presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Agreement substantially in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer executing the same deem necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

SECTION 12. The form of the Refunding Escrow Agreement (the "Escrow Agreement"), by and between the City and U.S. Bank National Association, as escrow agent, presented at this meeting, is hereby approved, and any one of the Authorized Officers is hereby authorized and directed to execute the Escrow Agreement substantially in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer executing the same deem necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement.

SECTION 13. The form and content of the Preliminary Official Statement substantially in the form presented to and considered at this meeting is hereby approved, with such additions thereto and changes therein as are determined to be necessary or desirable by any one of the Authorized Officers, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading, such approval to be conclusively evidenced by the delivery of the Preliminary Official Statement to the Underwriter. Each of the Authorized Officers is hereby authorized to certify to the Underwriter on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of certain information as permitted therein). The distribution by the Underwriter of copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Refunding Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized and directed to deliver to the Underwriter a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary or desirable by the Authorized Officer executing the Official Statement to make such Official Statement complete and accurate as of its date, such approval to be conclusively evidenced by the delivery of the Official Statement to the Underwriter.

SECTION 14. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance, sale and delivery of the Refunding Bonds. Such services shall include, but not be limited to, obtaining legal services, trustee services, verification agent services, consultant services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other Costs of Issuance (as defined in the Indenture and as otherwise agreed to in writing by an Authorized Officer) from the sale and delivery of Refunding Bond proceeds. The

Authorized Officers are hereby authorized and directed to pay all the fees and other costs of issuance of the Refunding Bonds in accordance with the Bond Purchase Agreement and as otherwise agreed to by the District and the respective parties thereto, including applicable CDIAC fees, verification agent fees and printer fees.

SECTION 15. All actions heretofore taken by any Authorized Officers, or by any other officers, employees or agents of the City, with respect to: (1) the issuance, delivery or sale of the Refunding Bonds; (2) the refunding, defeasance and redemption of the Prior Bonds; and (3) the Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, or any of the documents referenced therein, are hereby approved, confirmed and ratified. The Mayor or his designee and the other Authorized Officers responsible for the fiscal affairs of the City are hereby jointly and severally authorized and directed to do all things and take any and all actions and execute and deliver any and all documents as are necessary or desirable to accomplish the issuance, sale and delivery of the Refunding Bonds in accordance with the provisions of this Resolution and as are necessary or appropriate for the fulfillment of the purposes of the Refunding Bonds as described in the Indenture. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed Deputy City Clerk.

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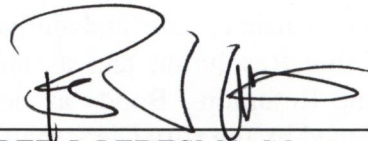
**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Soledad, California on the 5th day of November, 2014, by the following vote, to wit:

AYES Councilmember(s): Christopher K. Bourke, Richard J. Perez, Patricia D. Stephens, Mayor Pro Tem Alejandro Chavez and Mayor Fred J. Ledesma

NOES Councilmember(s): None.

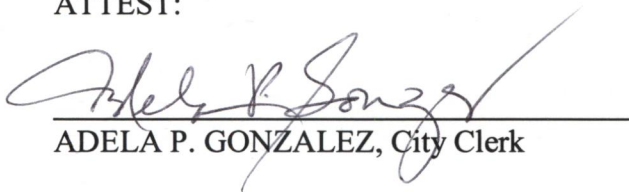
ABSENT Councilmember(s): None.

ABSTAIN Councilmember(s): None.



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FRED J. LEDESMA, Mayor

ATTEST:

  
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ADELA P. GONZALEZ, City Clerk



