

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALINAS  
AUTHORIZING THE ISSUANCE OF REFUNDING BONDS AND  
APPROVING AND AUTHORIZING RELATED DOCUMENTS AND  
ACTIONS**

**WHEREAS**, the City Council (the “Council”) of the City of Salinas (the “City”) has previously adopted its Resolutions of Intention with respect to Acacia Park Assessment District No. 96-2 and Bella Vista III Assessment District No. 98-1 pursuant to Chapter 21 of the Salinas Municipal Code and the Municipal Improvements Act of 1913, (Division 12 of the Streets and Highways Code of California) and Bella Vista Reassessment District No. 2002-1 (“Reassessment District No. 2002-1”) pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the “Act”) (the “Districts”); and

**WHEREAS**, by the Resolutions of Intention, the City Council provided that bonds would be issued thereunder pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California or the Act, as applicable, and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

**WHEREAS**, special assessment bonds were previously issued and delivered, for each of the Districts (the “Prior Bonds”) and the payment of debt service on such Prior Bonds related to Reassessment District No. 2002-1 secured the Salinas Public Financing Authority Refunding Revenue Bonds, (2002 Assessment Districts Refinancing), Series A Senior Lien Bonds (the “Authority Bonds”); and

**WHEREAS**, the outstanding Prior Bonds are secured by the unpaid assessments on properties in the Districts; and

**WHEREAS**, the public interest requires the refunding of the Prior Bonds and the Authority Bonds and this City Council intends to accomplish the refunding through the levy of reassessments and the issuance of refunding bonds upon the security thereof;

**WHEREAS**, on July 12, 2016, the City Council adopted a “Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds” (the “Resolution of Intention to Levy Reassessments”), in and for the City of Salinas Reassessment District No. 2016, whose boundaries include all of the Districts, and has thereafter conducted proceedings pursuant to the Act; and

**WHEREAS**, the proceedings under the Act and the Resolution of Intention to Levy Reassessments are now completed, a list of unpaid reassessments (the “List of Unpaid Reassessments”) is on file with the City Clerk, and this City Council wishes to provide for the issuance of refunding improvement bonds hereinafter described and defined as the “Refunding Bonds” on the security of such unpaid reassessments pursuant to the Act; and

**WHEREAS**, the purpose of the issuance of the Refunding Bonds shall be to refund and redeem the Prior Bonds and the Authority Bonds; and

**WHEREAS**, there has been submitted to this City Council an agreement (the “Fiscal Agent Agreement”) providing for the issuance of the Refunding Bonds by the City for the District, and the City Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order, and now desires to approve the Fiscal Agent Agreement and the issuance of the Refunding Bonds; and

**WHEREAS**, there has been presented to this City Council three separate escrow agreements, relating to the Prior Bonds for Assessment District No. 96-1, Assessment District No. 98-1 and the Prior Bonds and Authority Bonds related to Reassessment District No. 2002-1(the “Escrow Agreements”), which will be used to refund and redeem the Prior Bonds and the Authority Bonds, and the City Council now desires to approve such Escrow Agreements in connection with the refunding of such bonds; and

**WHEREAS**, City National Bank, or any affiliate thereof, (the “Purchaser”) has offered to purchase the Refunding Bonds on a direct placement basis pursuant to the terms of a Term Sheet (the “Term Sheet”); and

**WHEREAS**, there has been presented to this City Council the List of Unpaid Reassessments showing the unpaid reassessments upon the security of which the Refunding Bonds shall be issued, and this City Council, with the aid of City staff, has reviewed and considered the List of Unpaid Reassessments; 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**, the City Council of the City of Salinas does hereby **RESOLVE**, as follows:

**1. Unpaid Reassessments.** The reassessments that remain unpaid are as shown on the List of Unpaid Reassessments, which is hereby approved and incorporated herein by this reference. The total amount of the unpaid reassessments is \$4,555,000. For a particular description of the lots, pieces and parcels of land bearing the respective reassessment numbers set forth in the List of Unpaid Reassessments, reference is hereby made to the reassessment and to the reassessment diagram, and any amendments thereto approved by this City Council, all as recorded in the office of the official who is the Superintendent of Streets of the City.

**2. Refunding Bonds Authorized.** Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, refunding improvement bonds of the City for the District designated as “Limited Obligation Improvement Bonds Reassessment 2016 Series A” (the “Refunding Bonds”) in an aggregate principal amount of not to exceed \$5,000,000 are hereby authorized to be issued. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms, covenants and conditions of the Refunding Bonds shall be as provided in the Fiscal Agent Agreement as finally executed.

**3. Authorization and Conditions.** The Mayor, the City Manager, the Director of Public Works, the Finance Director, the City Engineer, the City Clerk, the City Attorney or any other officer or employee authorized by the City Council or by any of the foregoing individuals to undertake any action referenced in this Resolution (each, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the various documents and instruments described in this Resolution, provided that no additions or changes shall authorize an aggregate principal amount of Refunding Bonds in excess of \$5,000,000, a final maturity date of the Refunding Bonds after September 2, 2025, and a stated interest rate on the Refunding Bonds in excess of 3% per annum maximum rate. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of such documents or instruments by an Authorized Officer, upon consultation with Stradling Yocca Carlson & Rauth, A Professional Corporation, the City’s bond counsel (“Bond Counsel”).

**4. Fiscal Agent Agreement.** The proposed form of Fiscal Agent Agreement with respect to the Refunding Bonds, by and between the City and The Bank of New York Mellon Trust Company, as fiscal agent (the “Fiscal Agent Agreement”), is hereby approved. Each of the Authorized Officers is hereby authorized and directed to cause the same to be completed and executed on behalf of the City, subject to Section 3 above.

**5. Escrow Agreements.** The refunding of the Prior Bonds and the Authority Bonds with the proceeds of the Refunding Bonds and other available moneys, in accordance with the provisions of the documents pursuant to which such Prior Bonds and such Authority Bonds were sold and delivered, and pursuant to the Escrow Agreements is hereby approved, and the form of each Escrow Agreement by and among the City, the Authority (with respect to Reassessment District No. 2002-1 and the Authority Bonds only) and The Bank of New York Mellon Trust Company, as escrow agent, in the form presented to this City Council at this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed to cause the same to be completed and executed on behalf of the City.

**6. Sale of Refunding Bonds.** The sale of the Refunding Bonds to the Purchaser in conformance with the Term Sheet is hereby ratified and approved subject to Section 3 above and each of the Authorized Officers is hereby authorized and directed to enter into and execute an agreement with the Purchaser relating to the purchase of the Refunding Bonds in form and substance satisfactory to Bond Counsel and Stifel Nicolaus & Company, Incorporated, the City’s placement agent (the “Placement Agent”).

**7. Refunding Bonds Prepared and Delivered.** Upon the sale of the Refunding Bonds to the Purchaser, the Refunding Bonds shall be prepared, authenticated and delivered, all in accordance with the applicable terms of the Fiscal Agent Agreement, and each of the Authorized Officers is hereby authorized and directed to take such actions as are required under the Fiscal Agent Agreement or the agreement with the Purchaser (if any) to complete all actions required to evidence the delivery of the Refunding Bonds upon the receipt of the purchase price thereof from the Purchaser.

**8. Actions.** All actions heretofore taken by the officers and agents of the City with respect to the establishment of the Reassessment District and the sale and issuance of the Refunding Bonds, including but not limited to the acceptance of Term Sheet, are hereby approved, confirmed and ratified, and the proper officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, contracts, and other documents, including but not limited to a bond purchase agreement for the Refunding Bonds with the Purchaser and/or a Private Placement Agreement with the Placement Agent, which they, or any of them, may

deem necessary or advisable in order to consummate the lawful issuance and delivery of the Refunding Bonds in accordance with this Resolution, the Fiscal Agent Agreement and any certificate, agreement, contract, and other document described in the documents herein approved.

**9. Effective Date.** This resolution shall take effect from and after its adoption.

ADOPTED, SIGNED AND APPROVED this 12th day of July, 2016.

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Mayor of the City of Salinas

ATTEST:

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City Clerk of the City of Salinas

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF MONTEREY    )

I hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Salinas at a regular meeting thereof held on the 12th day of July, 2016, by the following vote:

AYES:            COUNCIL MEMBERS:

NOES:            COUNCIL MEMBERS:

ABSENT:          COUNCIL MEMBERS:

ABSTAIN:         COUNCIL MEMBERS:

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City Clerk of the City of Salinas