

LOMPOC REDEVELOPMENT AGENCY

RESOLUTION NO. 10-141

A RESOLUTION OF THE LOMPOC REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,500,000 AGGREGATE PRINCIPAL AMOUNT OF OLD TOWN LOMPOC REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES 2010, APPROVING AND AUTHORIZING AND DIRECTING THE EXECUTION OF INDENTURE OF TRUST RELATING THERETO, AUTHORIZING THE SALE OF SUCH BONDS, APPROVING AN OFFICIAL STATEMENT, AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Agency is authorized pursuant to the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "Law") to issue its tax allocation bonds for the purpose of financing its redevelopment; and

WHEREAS, a Redevelopment Plan for the Old Town Lompoc Redevelopment Project (the "Redevelopment Plan") has been adopted in compliance with all requirements of the Law; and

WHEREAS, the Agency has heretofore borrowed moneys pursuant to a loan agreement dated as of November 1, 2004 (the "2004 Loan Agreement") between the Agency and the Lompoc Public Financing Authority (the "Authority") to finance its redevelopment activities within and of benefit to the Redevelopment Project; and

WHEREAS, in order to provide additional funds to finance its redevelopment activities with respect to the Redevelopment Project, the Agency has determined to issue its not to exceed \$8,500,000 aggregate principal amount of Lompoc Redevelopment Agency Old Town Lompoc Redevelopment Project Tax Allocation Bonds, Series 2010 (the "Bonds") pursuant to an Indenture of Trust, which is expected to be dated as of June 1, 2010, by and between the Agency and U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, the Bonds will be payable from Tax Revenues (as defined in the Indenture) on a parity with the Agency's obligation to repay amounts borrowed under the 2004 Loan Agreement; and

WHEREAS, to provide for development of the most favorable debt structure for the Agency and to ensure the most favorable reception in the market place for the Bonds, the Agency requires the flexibility to sell the Bonds either by (i) a competitive sale pursuant to the terms of an Official Notice of Sale or (ii) a negotiated sale pursuant to the terms of a Purchase Contract (the "Purchase Contract") by and among the Agency, the Authority and an underwriter or underwriters (the "Underwriter") to be selected as described herein; and

WHEREAS, it is necessary for the Board to approve the forms of and to authorize the execution and delivery of the Indenture, the Official Notice of Sale and the Purchase Contract, to approve the forms of and authorize the distribution of the Preliminary Official Statement and

the final Official Statement (the "Official Statement"), to authorize execution and delivery of the Official Statement, to authorize issuance and sale of the Bonds pursuant to the Indenture and the Purchase Contract, and to authorize various actions in connection therewith; and

WHEREAS, the Agency has duly considered such transactions and the implementing documents, including, without limitation, the Indenture, the Official Notice of Sale, the Purchase Contract and the Official Statement, and wishes at this time to approve said transactions in the public interests of the Agency.

NOW, THEREFORE, it is hereby ORDERED AND DETERMINED, as follows:

Section 1. Findings. The Agency hereby finds and determines that the issuance of the Bonds is required and feasible, and that Tax Revenues necessary to repay the Bonds when due will be available.

Section 2. Issuance of Bonds; Approval of Indenture. The Agency hereby authorizes the issuance of the Bonds under and pursuant to the Law and the Indenture, in the aggregate principal amount of not to exceed \$8,500,000. The Agency hereby approves the Indenture in substantially the form thereof on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or Treasurer of the Agency, upon advice of the Agency's bond counsel, including, without limitation, the addition to the Indenture of the final interest rates payable with respect to the Bonds and the final principal amount and annual maturities of the Bonds. Execution of the Indenture shall be deemed conclusive evidence of the Agency's approval of such additions or changes. The Chair, the Executive Director and the Treasurer of the Agency (each, a "Designated Officer"), each acting alone, are hereby authorized and directed to execute, and the Secretary of the Agency is hereby authorized to attest, the Indenture for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Indenture.

Section 3. Sale of Bonds. The Agency hereby authorizes and directs the sale of the Bonds by either (i) a competitive sale pursuant to an Official Notice of Sale or (ii) a negotiation pursuant to the Purchase Contract. In the event the Designated Officers determine that it is in the best interest of the Agency to sell the Bonds pursuant to a competitive sale, the sale shall occur pursuant to the terms of the Official Notice of Sale in substantially the form on file with the Secretary, together with such additions thereto or changes therein. In the event the Designated Officers determine that it is in the best interest of the Agency to sell the Bonds pursuant to a negotiated sale, the sale shall occur pursuant to the terms and conditions of the Purchase Contract in substantially the form on file with the Secretary, together with such additions thereto or changes therein. The Purchase Contract shall be executed in the name and on behalf of the Agency by a Designated Officer, each of whom acting alone is hereby authorized and directed to execute and deliver said form of Purchase Contract on behalf of the Agency.

The Designated Officers are hereby authorized to make the determination whether to sell the Bonds pursuant to a competitive sale or pursuant to a negotiated sale based on which method of sale such Designated Officers believe will obtain the lowest true interest cost on the Bonds. Prior to making such determination, the Designated Officers shall consult with KNN Public Finance, A Division of Zions First National Bank, the Agency's financial advisor. In the event the Agency determines to sell the Bonds pursuant to a negotiated sale, the Designated Officers are hereby authorized to select the Underwriter for the Bonds. Prior to selecting the Underwriter, the Designated Officers shall consult with KNN Public Finance, A Division of Zions First National Bank, the Agency's financial advisor.

Notwithstanding the method of sale of the Bonds, the true interest cost on the Bonds shall not exceed 7.00%. Additionally, if the Bonds are sold pursuant to a negotiated sale, the underwriter's discount or fee (excluding original issue discount, if any) for the Bonds shall not exceed 2.00% of the principal amount of the Bonds.

Section 4. Official Statement. The preliminary Official Statement describing the Bonds on file with the Secretary is hereby approved for distribution by the Underwriter. The Executive Director and the Treasurer are authorized to approve, upon advice of the Agency's Disclosure Counsel, modifications to the preliminary Official Statement, from time to time, pending such distribution as shall be required to cause the preliminary Official Statement to contain any further information necessary to accurately describe the Bonds. With respect to the distribution of the preliminary Official Statement, the Executive Director and the Treasurer are authorized and directed, on behalf of the Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

The final Official Statement, which shall include such changes and additions thereto deemed advisable by the Executive Director and upon advice of the Agency's Disclosure Counsel, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Bonds, and the Executive Director, the Treasurer and their designee are authorized and directed to execute the final Official Statement for and on behalf of the Agency and the Executive Director is authorized and directed to deliver to the purchaser of the Bonds (i) a certificate with respect to the information set forth therein and (ii) a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

Section 5. Engagement of Professional Services. The Agency hereby authorizes the engagement of the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel and disclosure counsel to the Agency in connection with the financing described herein, and the firm of KNN Public Finance, A Division of Zions First National Bank, to act as financial advisor to the Agency in connection with the financing described herein. Each of said firms shall perform such services, and receive such compensation, as set forth in the respective proposals from such firms which have previously been made to the Agency. The Designated Officers are hereby authorized to execute contracts with bond counsel/disclosure counsel and financial advisor on behalf of the Agency.

Section 6. Official Action. All actions heretofore taken by the officers and agents of the Agency with respect to the issuance of the Bonds are hereby approved, confirmed and ratified. The Designated Officers and the Secretary of the Agency and any and all other officers of the Agency are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all document revisions, assignments, certificates, requisitions (including, but not limited to, requisitions for payment of costs of issuance of the Bonds), agreements (including, but not limited to, agreements in customary form providing for investment of the proceeds of the Bonds, as further provided in the Indenture), notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the Bonds. Whenever in this Resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 7. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

The foregoing Resolution was proposed by Agency Member _____, seconded by Agency Member _____, and was duly passed and adopted by the governing board of the Redevelopment Agency of the City of Lompoc at its regular meeting on June 1, 2010, by the following vote:

AYE: Agency Member(s):

NO: Agency Member(s):

ABSENT: Agency Member(s):

Michael A. Siminski, Chair
Lompoc Redevelopment Agency

ATTEST:

Donna N. Terrones, Secretary
Lompoc Redevelopment Agency /City of Lompoc