

RESOLUTION NO. 15-08

**ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS
EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS**

(INSTITUTE FOR DEFENSE ANALYSES)

**RESOLUTION AUTHORIZING THE REISSUANCE OF NOT TO EXCEED \$11,945,000
AGGREGATE PRINCIPAL AMOUNT OF VARIABLE RATE DEMAND REVENUE
BONDS (INSTITUTE FOR DEFENSE ANALYSES), SERIES 2005, APPROVING
DOCUMENTS RELATING TO THE TERMS, CONDITIONS AND REISSUANCE OF
THE BONDS, AND OTHER MATTERS RELATING THERETO**

RESOLVED, by the Executive Committee of the Board of Directors of the ABAG Finance Authority for Nonprofit Corporations (the "Authority") as follows:

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) (the "JPA Law"), certain California cities and counties have entered into a joint exercise of powers agreement, dated as of April 1, 1990 and revised as of September 18, 1990 and June 9, 1992 (the "Agreement") pursuant to which the Authority was organized; and

WHEREAS, the Agreement was entered into in order to enable the Authority to assist nonprofit corporations and other entities to obtain financing and refinancing for projects and purposes serving the public interest; and

WHEREAS, the Authority is authorized to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which are determined by the Authority to satisfy the criteria set forth in its ABAG Finance Authority for Nonprofit Corporations Guidelines for Issuance (the "Eligible Organizations"); and

WHEREAS, pursuant to the provisions of the JPA Law and the Agreement, the Authority may, at its option, issue bonds and enter into a loan agreement with the Eligible Organizations; and

WHEREAS, at the request of the Institute for Defense Analyses, a 501(c)(3) nonprofit corporation (the "Borrower"), an Eligible Organization, the Authority previously issued its ABAG Finance Authority for Nonprofit Corporations Variable Rate Revenue Bonds (Institute for Defense Analyses Project) Series 2005 in the original aggregate principal amount of \$11,945,000 (the "Original Bonds") for the purpose of financing the renovation, construction and improvement and equipping of certain communications research facilities operating under the name of the Institute for Defense Analyses' Center for Communications Research - La Jolla, located in San Diego, California, pursuant to a Trust Indenture dated as of September 1, 2005, by and between the Authority and Wells Fargo Bank, N.A., predecessor to Wells Fargo Bank, National Association, as trustee (the "Trustee"), as amended and supplemented by that certain

First Supplemental Indenture, dated as of July 1, 2008, between the Authority and the Trustee (collectively, the "Original Indenture");

WHEREAS, the proceeds of the Original Bonds were loaned by the Authority to the Borrower pursuant to a Loan Agreement dated as of September 1, 2005, as amended and supplemented by that certain First Supplement to Loan Agreement, dated as of July 1, 2008, each between the Authority and the Borrower (collectively, the "Original Loan Agreement"), pursuant to which the Borrower agreed to pay the principal and purchase price of and premium, if any, and interest on the Original Bonds as the same became due and payable; and

WHEREAS, pursuant to the terms of the Original Indenture, the Original Bonds may bear interest at a Weekly Rate, Fixed Rate or Alternate Rate, each as defined in the Original Indenture; and

WHEREAS, the Borrower desires to convert the Original Bonds to an Alternate Rate pursuant to the provisions of the Original Indenture, and BB&T Community Holdings (the "Bank Holder") has agreed to purchase the Original Bonds, as amended and restated and bearing interest at the Alternate Rate (the "Bonds"), and is expected to consent as beneficial owner of 100% of the Bonds to the release by the Authority and the Trustee of the original mortgage and municipal bond insurance policy and the termination of the liquidity facility, securing the Original Bonds; and

WHEREAS, it is necessary to amend and restate the Original Indenture in its entirety and the Original Loan Agreement in its entirety, both in accordance with the Original Indenture to provide for the Alternate Rate and for the replacement of the Original Bonds with the Bonds; and

WHEREAS, the legal obligations of the Authority in connection with the reissuance of the Bonds will be limited to revenues received by the Authority from the Borrower pursuant to the Loan Agreement, and no public funds will be expended in connection with the reissuance of the Bonds; and

WHEREAS, the maximum aggregate principal amount of the Bonds to be reissued is \$11,945,000; and

WHEREAS, there have been filed with the Acting Secretary of the Authority the following:

(1) A proposed form of the Amended and Restated Trust Indenture (the "Indenture") to be entered into between the Authority and the Trustee, providing for the authorization, amendment and reissuance of the Bonds; and

(2) A proposed form of the Amended and Restated Loan Agreement (the "Loan Agreement") to be entered into between the Borrower and the Authority, pursuant to which the Borrower agrees to pay the principal and purchase price of and premium, if any, and interest on the Bonds as the same became due and payable;

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Board of Directors of the ABAG Finance Authority for Nonprofit Corporations, as follows:

Section 1. The form, terms and provisions of the Indenture, in the form on file with the Acting Secretary of the Authority, are hereby approved, and the President, Interim Chief Financial Officer or the Acting Secretary of the Authority, or a designee of any of such officers (the "Authorized Officers"), are hereby authorized and empowered to execute and deliver the Indenture with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by any Authorized Officer, with the advice of bond counsel and counsel to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The form, terms and provisions of the Loan Agreement, in the form on file with the Acting Secretary of the Authority are hereby approved, and any Authorized Officer, or a designee of such officers, are hereby authorized and empowered to execute and deliver the Loan Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by any Authorized Officer, with the advice of bond counsel and counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The Authority approves the reissuance of an aggregate principal amount of not to exceed \$11,945,000 of Bonds, in accordance with the terms of and to be secured in accordance with the Indenture. Payment of the principal of, any redemption premium, and the interest on and purchase price of, the Bonds shall be made solely from the revenues to be received by the Trustee and the Authority pursuant to the Loan Agreement, and the Bonds shall not otherwise be deemed to constitute a debt or liability of the Authority, nor shall the Bonds be deemed to constitute a debt or liability of any member of the Authority.

Section 4. The President and Interim Chief Financial Officer are hereby separately authorized and directed to execute, by manual or facsimile signature, the Bonds, and the Secretary is hereby authorized and directed to attest, by manual or facsimile signature, thereto, in the name and on behalf of the Authority, in an aggregate principal amount to be determined at the time of pricing, with a final maturity date not later than 35 years and one month from their issuance date, and in the form set forth in the Indenture; the Bonds shall bear interest at the rates to be determined in accordance with the Indenture.

Section 5. The Bonds, when so executed, shall be delivered to or at the direction of the Bank Holder.

Section 6. All actions heretofore taken by the officers and agents of the Authority with respect to the reissuance of the Bonds are hereby approved, confirmed and ratified, and the officers of the Authority and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things necessary to issue the Bonds and to execute and deliver any and all certificates and other documents in addition to those enumerated herein, and any offering material, which they or bond counsel may deem necessary or advisable in order to consummate the reissuance and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 18th day of November 2015.

ABAG FINANCE AUTHORITY FOR
NONPROFIT CORPORATIONS

Charles Lomeli, Chair
ABAG Finance Authority
for Nonprofit Corporations

ATTEST:

Peggy Caruso, Acting Secretary
ABAG Finance Authority
for Nonprofit Corporations