

RESOLUTION NO. _____

**A RESOLUTION OF THE GOVERNING BOARD OF THE MARIN
EMERGENCY RADIO AUTHORITY AUTHORIZING AND DIRECTING
THE EXECUTION OF A LOAN AGREEMENT AND A 2007 OPERATING
PROJECT NOTE, AND DIRECTING CERTAIN RELATED ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, certain public agencies (the “Participating Agencies”) have entered into a Joint Powers Agreement dated as of February 28, 1998 (the “Agreement”), establishing the Marin Emergency Radio Authority (the “Authority”) for the purpose, among others, of having the Authority issue its bonds to be used to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, the Authority has previously issued its 1999 Revenue Bonds (Marin Public Safety and Emergency Radio System) (the “Bonds”) under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Law”) for the purpose of raising funds necessary to acquire, construct and improve a county-wide emergency radio system (the “Project”); and

WHEREAS, pursuant to the Project Operating Agreement (the “Project Operating Agreement”), dated as of February 1, 1999, among the Authority and the Participating Agencies, the Authority owns and operates the Project for the benefit of the Participating Agencies; and

WHEREAS, pursuant to the Project Operating Agreement, the Participating Agencies have agreed to pay, among other things, the cost of annual operation of the Project (the “Operating Payments”); and

WHEREAS, the Authority has determined that it is in the best financial interests of the Participating Agencies to authorize the execution of a Loan Agreement, currently dated as of January 1, 2007, and the execution of a 2007 Operating Project Note (the “Note”) under the provisions of the Bond Law for the purpose of raising funds necessary to pay certain Operating Costs (as defined in the Project Operating Agreement); and

WHEREAS, the governing board of the Authority (the “Board”) hereby represents that:

(1) said Note is not “private activity bonds” within the meaning of Section 141 of the Code;

(2) the Authority, together with all of its subordinate entities, has heretofore not issued any obligations (other than those obligations described in Paragraph (4) below) in calendar year 2007 the interest on which is exempt from federal income tax under Section 103 of the Code;

(3) the Authority reasonably anticipates that it, together with its subordinate entities, will issue during the remainder of calendar year 2007 obligations (other than those obligations described in Paragraph (4) below) the interest on which is exempt from federal income tax under Section 103 of the Code which, when aggregated with all obligations described in Paragraph (2) above, will not exceed an aggregate principal amount of \$10,000,000;

(4) notwithstanding Paragraphs (2) and (3) above, the Authority and its subordinate entities may have issued in calendar year 2007 and may continue to issue during the remainder of calendar year 2007 private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code; and

WHEREAS, the Authority wishes to designate the Note as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

WHEREAS, the Board wishes at this time to authorize all proceedings relating to the issuance of the Note, and to approve the execution and delivery of all agreements and documents relating thereto.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority as follows:

Section 1. Findings and Determinations. Pursuant to the Bond Law, the Board hereby finds and determines that the issuance of the Note will result in savings in effective interest rates and issuance costs and thereby result in significant public benefits to the Participating Agencies within the contemplation of Section 6586 of the Bond Law.

Section 2. Issuance of the Note; Approval of Loan Agreement. The Board hereby authorizes the issuance of the Note under and pursuant to the Bond Law, in the maximum principal amount of \$2,250,000. The Note shall be issued pursuant to a Loan Agreement, dated as of January 1, 2007 (the “Loan Agreement”) between the Authority and Citizens Business Bank, or such other acceptable financial institution as determined by the Authorized Officer (as defined below) (the “Lender”). The Board hereby approves the Loan Agreement in the form presented to the Board at this meeting. The President, Vice President, the Executive Officer or such other person or persons as any one of them may designate (collectively, the “Authorized Officers”) are each hereby authorized and directed to execute the Loan Agreement, for and in the name and on behalf of the Authority, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Special Counsel, and the Secretary is hereby authorized and directed to attest the final form of the Loan Agreement for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance by the Authority of the Loan Agreement.

Section 3. Issuance of Note. The Board hereby approves the issuance of the Note pursuant to the terms of the Loan Agreement; provided that no additions or changes shall authorize an aggregate principal amount of the Note in excess of \$2,250,000, or result in a rate of interest to be borne by the Note in excess of 4.43% per annum. The Board hereby authorizes the delivery and performance by the Authority of the Note.

Section 4. Bank Qualified. The Note is hereby designated as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code. The Authority hereby finds and determines that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the Authority (and all subordinate entities thereof) during calendar year 2007 is not expected to exceed \$10,000,000.

Section 5. Official Actions. The President, the Vice President, the Executive Officer, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, 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 issuance of the Note and any of the other transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority 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. Any and all such actions previously taken by such Authorized Officers or staff members are hereby ratified and confirmed.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

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ADOPTED AND APPROVED BY THE MARIN EMERGENCY RADIO AUTHORITY, this ____ day of _____, 2007 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

President

ATTEST:

Secretary

I hereby certify that the above Resolution No. _____ was duly introduced, read and adopted by the Authority at a regular meeting held on _____, 2007.

By: _____

Secretary