

RESOLUTION NO. RA 91-01

**A RESOLUTION OF THE REDEVELOPMENT AGENCY
OF THE CITY OF PASO ROBLES EMPLOYING
BOND COUNSEL AND APPROVING THE FORM OF FEE AGREEMENT
FOR THE UNDERTAKING OF LEGAL PROCEEDINGS IN CONNECTION
WITH THE ISSUANCE OF TAX ALLOCATION BONDS**

WHEREAS, the public interest and general welfare will be served by appointing and employing Bond Counsel for the preparation and conduct of proceedings and work in connection with the proposed issuance by the El Paso De Robles Redevelopment Agency (the "Agency") of tax allocation bonds entitled "El Paso De Robles Redevelopment Agency (San Luis Obispo County, California), 1991 Tax Allocation Bonds" (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED as follows:

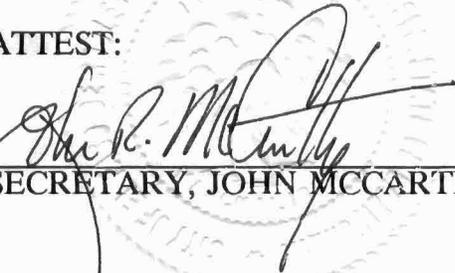
SECTION 1. That the law firm of **HAIGHT & HAIGHT**, Scotts Valley, California, be, and they are hereby appointed and employed to do and perform all legal services required in the conduct of said proceedings, including the preparation of all required legal papers, examining and approving the legal documents in connection therewith, advising all Agency officials on all matters relating thereto when called upon, and furnishing a legal opinion on the validity of said proceedings and bonds, and that the Fee Agreement dated November 13, 1991, and attached hereto as Exhibit "A" be, and it is hereby approved.

PASSED AND ADOPTED this 13th day of November, 1991, by the following vote:

AYES: Martin, Picanco, Reneau, Russell and Iversen
NOES: None
ABSENT: None
ABSTAIN: None



CHAIRPERSON OF THE REDEVELOPMENT AGENCY

ATTEST:


SECRETARY, JOHN MCCARTHY

RESOLUTION NO. RA 91-02

**A RESOLUTION OF THE REDEVELOPMENT AGENCY
OF THE CITY OF PASO ROBLES APPOINTING
A TRUSTEE AND APPROVING THE FEE AGREEMENT
FOR TRUSTEE SERVICES**

WHEREAS, the public interest and general welfare will be served by appointing and employing a trustee for the purpose of performing trust services with regard to the proceeds and the payment of principal and interest of the proposed El Paso De Robles Redevelopment Agency (San Luis Obispo County, California), 1991 Tax Allocation Bonds (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1. That Seattle-First National Bank, Seattle, Washington, be, and they are hereby appointed and employed to do and perform all trust services required under the Indenture of Trust, dated as of December 1, 1991, by and between the El Paso De Robles Redevelopment Agency and, by virtue of this appointment, Seattle-First National Bank.

SECTION 2. That the Fee Agreement dated October 24, 1991, addressed to Kelling, Northcross & Nobriga, Inc., and attached hereto as Exhibit "A" be, and it is hereby approved. The Board notes that the Fee Agreement was in the form of a proposal for a bond issue of \$3,000,000 and understands that the fees and charges may proportionately increase if the Bonds are issued in a principal amount in excess of \$3,000,000. Further, the Board agrees that, based on the proposal for an issue of \$3,000,000, said proportionate increase for an issue of \$3,500,000 is acceptable.

PASSED AND ADOPTED this 13th day of November, 1991, by the following vote:

AYES: Martin, Picanco, Reneau, Russell and Iversen

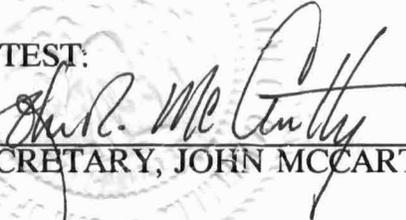
NOES: None

ABSENT: None

ABSTAIN: None


CHAIRPERSON OF THE REDEVELOPMENT AGENCY

ATTEST:


SECRETARY, JOHN MCCARTHY



Mary Lou Pratt
Regional Sales Director
Corporate Trust Services
Securities Services Department
(206) 358-0131
(206) 358-0080 (facsimile)

October 24, 1991

Jamie Badgley
Kelling, Northcross, Nobrigo Inc.
595 Market Street, Suite 1350
San Francisco, CA 94105

Re: \$3,000,000 City of El Paso de Robles Redevelopment Agency Tax Allocation Bonds

Dear Jamie:

Seafirst Bank is pleased to be given the opportunity to present this fee proposal to you on behalf of the City of El Paso de Robles Redevelopment Agency for Trustee, Registrar and Paying Agency services. We sincerely appreciate the opportunity to provide Trustee services to the Redevelopment Agency and welcome the opportunity to work with you and the financing team to ensure a successful financing and provide long term active and responsive administration.

A copy of our current schedule of fees is enclosed; based on this schedule and assuming \$3,000,000 issuance, our acceptance and first year annual administrative fees would be as follows:

Acceptance	\$3,350.00
Annual Administrative	\$2,000.00

Please note that in addition to the above charges, Trustee's Counsel fee would be \$1,500.00 and travel for one of our staff to attend closing, if necessary, would be approximately \$600.00.

Various fees other than those shown immediately above will apply. These fees, which are listed on the enclosed schedule, are for the most part "transaction driven," in that the aggregate amount of fees charged during any given period of time depends on the volume of transactions occurring during that time. It is difficult to estimate with accuracy these transaction volumes; a reasonable expectation of total annual charges for these transactions for a bond issue of the size and type proposed would be about \$1,000.00 per year during the distribution period, including our charges for investing and disbursing funds in the project fund, and about \$500 per year thereafter.

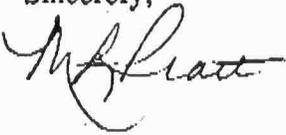
Jamie Badgley
October 24, 1991
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A value-added service Seafirst can bring to this financing is its willingness to take responsibility for the calculation of excess investment income to be rebated to the U.S. Treasury. In practice, Seafirst contracts with third parties for the provision of this service. We presently have an arrangement with Ernst & Young whereby in exchange for a considerable volume of work from us, Ernst & Young has agreed to a very attractive fee structure. Ernst & Young's fees, which are billed by Seafirst to the Agency as a reimbursable expense, are about \$2,500.00 for the first annual calculation and about \$2,000 for each subsequent annual calculation. These amounts will vary depending on the complexity of the work; however, they are considerably lower than the City might be able to negotiate independently. Moreover, since Seafirst assumes contractual responsibility for the performance of these duties, the Agency's exposure to liability is reduced.

Seafirst is the West Coast recognized leader in trustee administration. We have over 35 professionally trained staff to ensure the highest quality and most responsive ongoing servicing. We look forward to providing these services to the Agency and yourselves for this financing.

Your comments and questions are always welcome. Please contact me if I can assist you in any way.

Sincerely,



Attachments

Jamie Badgley
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BOND TRUSTEE FEE SCHEDULE

ACCEPTANCE FEE

When bonds, notes, debentures or certificates of participation are issued under a new Indenture or a supplemental indenture, the initial charge will be \$2,000.00 plus an incremental fee based on the amount of bond principal issued as follows:

First \$10 million	\$450 per \$1 million
Over \$10 million	\$250 per \$1 million

The acceptance fee covers the following services:

- Examination of financing documents
- Setup of trustee's records
- Determination of eligibility under the Trust Indenture Act
- Preparation of Form T-1 if eligible

Payable at closing in addition to the acceptance fee is reimbursement of trustee's out-of-pocket expense, including but not limited to travel expense (if necessary) and legal expense incurred in reviewing financing documents and in obtaining any opinions required of trustee's counsel.

ANNUAL ADMINISTRATIVE FEE

The annual administrative charge is comprised of a base fee of \$1,000.00 plus an incremental fee based on the maximum bond principal outstanding during the year as follows:

First \$10 million	\$300 per \$1 million
Next \$25 million	\$200 per \$1 million
Over \$35 million	\$100 per \$1 million

Subject to a minimum annual administrative charge of \$2,000.00.

The annual administrative fee covers the following usual and ordinary duties so long as no default exists:

- Monthly Statements/Accountings
- Maintenance of trustee's records
- Compliance monitoring
- Preparation of annual reports to bondholders (exclusive of postage expense)
- Periodic determination of trustee's continued eligibility
- Custody of a reasonable number of insurance policies, letters of credit, and other security documents
- Usual and ordinary correspondence with interested parties concerning the regular administration of the trust.
- Audit Confirmations

TRANSACTION FEES

- For each purchase, sale, exchange, redemption or collection at maturity of securities or investment agreements, the fee is \$25.00.
- For investments made through Seafirst's Master Repurchase Agreements, the fee is 3% interest income.

Jamie Badgley
 October 24, 1991
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- For each disbursement from a project fund, construction fund or similar account, the fee is \$25.00.
- For each draw on a letter of credit, the fee is \$25.00.
- For each wire transfer sent or received, the fee is \$10.00.

REGISTRAR FEES

Annual base fee	\$400.00
Per bondholder account	5.00
Per certificate originally issued	1.50
Per routine transfer	3.00*
Per documentary transfer	10.00
Per certificate replaced (paid by holder)	35.00
Per certificate paid	2.00
Destruction, per item (min \$35.00 per payment date)	.35
Per redemption or call	200.00

- * Transfers of mimeographed and certain other non-engraved bond certificates are subject to a charge of \$4.50 per such certificate.

Services included under the bondholder account charge include:

- Bondholder account creation
- Posting address changes
- Responding to bondholder inquiries
- Issuance of two interest checks
- Solicitation of taxpayer identification numbers
- Preparation of 1099B, 1099INT and 1042S forms as required
- Bondholder account termination

TENDER AGENCY SERVICES

For any issue with a demand purchase option, Seafirst's fee is \$500 per year. Seafirst maintains relationships with several institutions for the provision of tender agency services in New York. Their fees for a given financing will depend on the complexity of the tender agent's role in that financing.

ARBITRAGE CALCULATION

Seafirst will accept responsibility for the calculation of excess investment income. In practice, Seafirst contracts with independent experts for the performance of these duties. Fees will vary depending on the complexity of the work involved.

CLOSING FEE

For executing final release of security and closing trust accounts, a reasonable charge based on the work involved is imposed, subject to a minimum charge of \$500.

OUT OF POCKET EXPENSES

Out-of-pocket expenses, such as postage, travel, shipping costs, postage insurance and the fees of the Bank's counsel are reimbursable in addition to the fees quoted herein.

Jamie Badgley
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OTHER SERVICES

For services not contemplated herein, fees will be based on an appraisal of work involved.

This proposed fee structure is subject to our review and approval of financing documents in final form.

Fees and charges quoted herein assume that Seafirst receives the entire benefit of the use of uninvested funds held for the payment of unpresented bonds from and after their due dates.

Fees quoted herein are subject to change from time to time.

10/24/91 update