

RESOLUTION NO. SARDA2017-006

A RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AN ESCROW AGREEMENT AND OTHER DOCUMENTS IN CONNECTION WITH THE SUCCESSOR AGENCY'S ISSUANCE OF TAX ALLOCATION REFUNDING BONDS AND TAKING RELATED ACTIONS

WHEREAS, the former Highland Redevelopment Agency (the "**Former Agency**") was a redevelopment agency duly formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the Health and Safety Code ("**HSC**") of the State of California (the "**State**"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as the City of Highland Redevelopment Project Area No. 1; and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; the Successor Agency to the Highland Redevelopment Agency, as the successor to the Former Agency (the "**Successor Agency**"), was constituted; and an Oversight Board to the Successor Agency (the "**Oversight Board**") was established; and

WHEREAS, to finance redevelopment projects, the Former Agency issued its City of Highland Redevelopment Project Area, Tax Allocation Bonds, Series 2007, in the aggregate principal amount of \$42,645,000 (the "**2007 Bonds**"), and

WHEREAS, a portion of the principal amount of the 2007 Bonds remains outstanding (the "**Outstanding Bonds**"); and

WHEREAS, pursuant to AB X1 26 added Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the HSC (such Parts 1.8 and 1.85, including amendments and supplements thereto enacted after AB X1 26, being referred to herein as the "**Dissolution Act**"); and

WHEREAS, pursuant to HSC Section 34177.5(a), the Successor Agency is authorized to issue bonds (the "**Refunding Bonds**") to refund the Outstanding Bonds, to provide savings to the Successor Agency, provided that:

- (i) the total interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total remaining interest cost to maturity on the Outstanding Bonds, plus the remaining principal of the Outstanding Bonds to be refunded; and

- (ii) the principal amount of the Refunding Bonds shall not exceed the amount required to defease the refunded Outstanding Bonds, to establish customary debt service reserves and pay related costs of issuance; and

WHEREAS, the Successor Agency desires to issue Refunding Bonds to refund the Outstanding Bonds to achieve debt service savings; and

WHEREAS, the Refunding Bonds will be issued under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, this Board previously adopted Resolution No. SARDA2017-004, on May 9, 2017 (the “**SA Bond Approval Resolution**”), approving the issuance of the Refunding Bonds and the Indenture, under which U.S. Bank National Association, will serve as the trustee; and

WHEREAS, pursuant to HSC Sections 34177.5(f) and 34180, the issuance of the Refunding Bonds is subject to the Oversight Board’s prior approval; and

WHEREAS, the Oversight Board adopted Resolution No. OBSARDA2017-004 on May 11, 2017 (the “**Oversight Board Resolution**”), approving the issuance of the Refunding Bonds; and

WHEREAS, the Oversight Board Resolution is effective upon the State Department of Finance (“**DOF**”) issuing a letter approval, or the deemed approval, of the Oversight Board Resolution, and

NOW, THEREFORE, THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Board hereby confirms its approval of the issuance of the Refunding Bonds in an aggregate principal amount not to exceed \$37,000,000 pursuant to the SA Bond Approval Resolution.

Section 3. The sale of the Refunding Bonds pursuant to a Bond Purchase Agreement (the “**Purchase Agreement**”), by and between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, on behalf of itself and Piper Jaffray & Co. (together, the “**Underwriters**”) is hereby approved, provided, that such sale shall be subject to the following parameters: (i) the terms of the Refunding Bonds shall be in compliance with the savings parameters set forth in HSC Section 34177.5(a), (ii) the true interest cost of the Refunding Bonds shall not exceed 4.95 percent, (iii) the Underwriters’ compensation (i.e., underwriters’ discount), exclusive of any original issue discount, for the Refunding Bonds shall not exceed 0.75 percent of the aggregate principal amount of the Refunding Bonds. The Purchase Agreement, in the form on file with the Secretary of the Successor Agency, is hereby approved. Subject to the

parameters set forth above, each of the Chair of this Board, the Vice Chair of this Board, the Executive Director and the Finance Officer of Successor Agency (the “**Authorized Officers**,” each an “**Authorized Officer**”), acting individually, is authorized, for and in the name and on behalf of the Successor Agency, to execute and deliver the Purchase Agreement, with changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 4. The Escrow Agreement (the “**Escrow Agreement**”) relating to the defeasance of the Outstanding Bonds, substantially in the form on file in the office of the Secretary of the Successor Agency, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement, in substantially such form, with changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 5. The Preliminary Official Statement (the “**Preliminary Official Statement**”) relating to the Refunding Bonds, substantially in the form on file in the office of the Secretary of the Successor Agency, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to cause the Preliminary Official Statement in substantially said form, with such additions or changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended (the “**Rule**”). The Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Refunding Bonds.

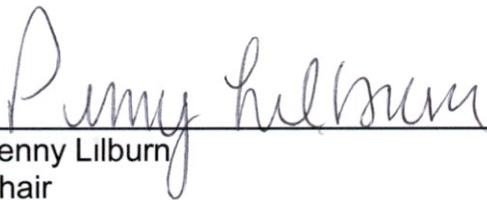
Section 6. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement and to execute the final Official Statement and such additional documents prior to or concurrently with the signing of the final Official Statement as such Authorized Officer may deem necessary or appropriate to verify the accuracy thereof. The distribution and use of the Official Statement by the Underwriters in connection with the sale of the Refunding Bonds are hereby approved.

Section 7. The Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) with respect to the Refunding Bonds, substantially in the form on file in the office of the Successor Agency Secretary, is hereby approved. Each Authorized Officer, acting individually, is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Continuing Disclosure Agreement in substantially such form, with changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 8. The members of this Board, the Chair, the Vice Chair, the Executive Director, the Finance Officer and all other officers of the Successor Agency, are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things (including, but not limited to, obtaining bond insurance or other types of credit enhancement, and engagement of a verification agent for the defeasance escrows) which they may deem necessary or proper to effectuate the purposes of this Resolution. Any such previous action taken by such officers are hereby ratified and confirmed.

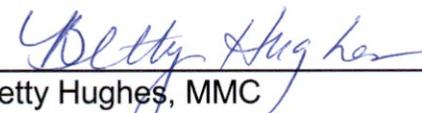
Section 9. This Resolution shall take effect immediately upon the approval by DOF, or deemed approval, of the Oversight Board Resolution

PASSED, APPROVED, AND ADOPTED this 13th day of June, 2017.



Penny Lilburn
Chair

ATTEST:



Betty Hughes, MMC
Secretary

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HIGHLAND)

I, BETTY HUGHES, Secretary of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Successor Agency to the Redevelopment Agency Resolution No. SARDA2017-006 was duly and regularly adopted by the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a regular meeting thereof held on the 13th day of June, 2017, by the following vote:

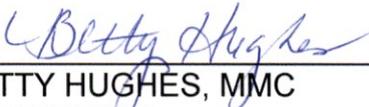
AYES: Chavez, Lilburn, McCallon, Solano, Timmer

NOES: None

ABSTAIN: None

ABSENT: None

Dated this 14th day of June, 2017.



BETTY HUGHES, MMC
SECRETARY