

RESOLUTION NO. 20-02-CSA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE CARSON REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000 TO FULFILL AN ENFORCEABLE OBLIGATION TO ASSIST IN THE REMEDIATION OF CERTAIN CONTAMINATED PROPERTY PURSUANT TO AN OWNER PARTICIPATION AGREEMENT, AS IMPLEMENTED AND SUPPLEMENTED BY A SETTLEMENT AGREEMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, APPROVING THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT, AND AUTHORIZING TAKING OTHER ACTIONS RELATED THERETO

WHEREAS, prior to the enactment of the dissolution law described below, the Carson Redevelopment Agency (the “Redevelopment Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (together with Parts 1.8 and 1.85 of Division 24, as amended, including by Senate Bill 107, adopted on September 22, 2015, the “Law”), including the power to borrow funds and issue bonds for any of its corporate purposes, including implementation of the provisions of the redevelopment plans enacted within its project areas; and

WHEREAS, on June 29, 2011 and following a subsequent decision of the California Supreme Court, California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”), dissolved all redevelopment agencies and community redevelopment agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, on June 27, 2012, the Legislature adopted Assembly Bill No. 1484, a follow on bill to AB1X 26, which provides a mechanism to issue tax allocation refunding bonds under certain circumstances, including to finance bonds associated with “enforceable obligations”; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the Successor Agency to the Carson Redevelopment Agency (“Successor Agency”) is the successor agency to the Redevelopment Agency with respect to the Redevelopment Agency’s outstanding bonds and obligations, as confirmed by Resolution No. 12-003 adopted by the City Council of the City of Carson on January 9, 2012; and

WHEREAS, on October 11, 2010, pursuant to Ordinance No. 10-1459, the City of Carson (the “City”) created the “Carson Consolidated Project Area” by merging its former “Project Area No. 1,” “Project Area No. 4” and “Merged and Amended Project Area” into one merged area to provide flexibility in expending moneys to eliminate blight within all three areas (“Consolidated Project Area”) and to allow for greater financial flexibility to provide funds in any project area regardless of its source; and

WHEREAS, prior to dissolution, the Redevelopment Agency, in furtherance of a primary goal in its redevelopment plans, attempted to effectuate the clean-up of numerous properties which were undevelopable due the presence of hazardous waste on such properties; and

WHEREAS, one such property was an unimproved parcel of real property spanning approximately 157-acres of property (collectively, the “157-Acre Property”), located in the City; and

WHEREAS, the 157-Acre Property is a former landfill, known as the Cal Compact landfill site operated by Cal Compact, Inc., which began operations in 1959 as a Class II Landfill and was closed sometime between 1964 and 1965; and

WHEREAS, on October 25, 1995, the California Department of Toxic Substances Control (“DTSC”) approved a Remedial Action Plan for portions of the 157-Acre Property (“RAP”), which requires the installation, operation and maintenance of certain remedial systems, including a landfill cap, gas extraction and treatment system, and groundwater collection and treatment system on the 157-Acre Property (the “Remedial Systems”); and

WHEREAS, the Remedial Systems, together with certain other work required to prepare the 157-Acre Property for development constitutes the “Remediation”; and

WHEREAS, in a lawsuit initiated by DTSC entitled *California Department of Toxic Substances Control v. Commercial Realty Projects, Inc., et al.* (U.S. District Court, Central District of California, Civil Action No. 95-8773), the court entered a Consent Decree on December 9, 1996; resolving claims against Atlantic Richfield Company, et al. on March 29, 2001; a Supplemental Consent Decree on March 29, 2001; and Modifications by Consent to Supplemental Consent Decree and Defense Group Decree on March 29, 2001 (collectively, the “Consent Decree”); and

WHEREAS, DTSC and Carson Marketplace, LLC (“CM”), then current owner of the 157-Acre Property entered into the Compliance Framework Agreement dated as of September 28, 2006, as amended by the First Amendment to Compliance Framework Agreement dated as of December 31, 2007 (collectively, the “CFA”) for the purpose of setting forth a plan for addressing the environmental condition of the 157-Acre Property and the CFA required CM to establish financial assurance for implementation of the RAP, including long-term operation and maintenance of the Remedial Systems; and

WHEREAS, in 2006, following years of negotiations and in furtherance of its redevelopment objectives, the Redevelopment Agency and CM entered into the Owner Participation Agreement, dated July 25, 2006 (“Original OPA”), to provide assistance and participation for the development of the 157-Acre Property for commercial retail use, hotel use and subsidized low income housing and in furtherance of the RAP; and

WHEREAS, pursuant to the Original OPA, the Redevelopment Agency promised assistance related to the development of the former landfill due to the difficulty of effectuating such development and for the purpose of carrying out the redevelopment plan objectives subject to the following principles: (i) the assistance would not be for private improvements but for remediation of contamination and construction of public improvements, (ii) a remediation contract with an independent contractor should assure performance for a fixed price, (iii) the assistance from the Redevelopment Agency should be derived from tax revenues earmarked for construction of public improvements, affordable housing and from new revenues derived as a result of the 157-Acre Property development with no assistance from the general funds of the City, (iv) the revenues resulting to the City should be sufficient to pay for general costs of services provided to the

development by City, (v) the assistance should not exceed the warranted level and not give participant an excessive return; and

WHEREAS, in connection with obligation to implement the Remedial Systems and the OPA principal to do so pursuant to a fixed price contract: (a) CM and Tetra Tech, Inc. (“Tetra Tech”) entered into a Fixed Price Design and Construction Environmental Assurance Agreement dated December 31, 2007, as amended, for the design and construction of the Remedial Systems, and a Fixed Price Operations and Maintenance Environmental Assurance Agreement dated December 31, 2007, as amended, for the operation, maintenance and monitoring of the Remedial Systems; (b) CM procured in December 2007 from AIG Environmental, the Carson Marketplace Cleanup Cost Cap Insurance Policy (the “AIG Policy”); and (c) in September 2006, CM also obtained a Pollution and Remediation Legal Liability Policy issued by XL Environmental (the “PARLL”); and

WHEREAS, CM, Tetra Tech and Wells Fargo Bank, National Association, also entered into a Carson Marketplace Design and Construction EAA Trust Agreement dated April 13, 2009, as amended by a First Amendment to Carson Marketplace Design and Construction EAA Agreement dated June 12, 2012 (collectively, the “EAA Trust Agreement”) to establish a trust account for funds to be paid to Tetra Tech for remediation activities, improvements and operations, payable upon completion of certain work (the “EAA Trust Account”); and

WHEREAS, subject to the obligation and principal to provide financial assistance, the Redevelopment Agency undertook several revisions to the Original OPA to provide additional assistance on May 20, 2008 and March 9, 2009 recognizing the complexity of the issues related to the parcel (“OPA Amendments” and, together with the Original OPA, the “OPA”) and in the ensuing years issued several series of tax allocation bonds to effectuate such assistance but fell short of providing all the required assistance; and

WHEREAS, following dissolution of redevelopment agencies, the Carson Reclamation Authority, a joint powers authority was formed in 2015, for the purpose of overseeing and facilitating the remediation of contaminated properties in the City of Carson, and for the maintenance and potential development of same; and

WHEREAS, the Redevelopment Agency and CM were in the process of additional negotiations related to the OPA in light of the slow down in the economy and the difficulty of attracting tenants when the Redevelopment Agency was dissolved and CM threatened suit over the remaining obligations and future additional funding; and

WHEREAS, pursuant to the OPA, the Redevelopment Agency had certain ownership rights and obligations associated with the 157-Acre Property, including a promissory note and deed of trust associated with the 157-Acre Property, for which it (and the City) were beneficiaries, should CM refuse to undertake its development and financial obligations; and

WHEREAS, in 2015, CM, the City, the Successor Agency and the Carson Reclamation Authority entered into the Settlement, Release and Indemnity Agreement (“Settlement Agreement”), wherein the Carson Reclamation Authority, instead of the Redevelopment Agency, agreed to accept property in lieu of the Successor Agency and complete the Remediation of the property with funds from \$50.5 million of bonds to be issued by the Successor Agency as provided in the Method of Finance, attached as Exhibit F to the Settlement Agreement; and

WHEREAS, pursuant to the requirement of the Settlement Agreement, CM sold the 157-Acre Property to the Carson Reclamation Authority on May 20, 2015; and

WHEREAS, the Oversight Board representing the taxing entities and the California State Department of Finance (“DOF”) recognized the enforceable obligation of the OPA to provide for the financial assistance, as implemented pursuant to the Settlement Agreement; and

WHEREAS, DTSC concurred in Carson Reclamation Authority taking title to the 157-Acre Property and fulfilling CM’s responsibilities under the Consent Decrees and DOF had no objections to the transfer of the 157-Acre Property, the release and indemnification by the Successor Agency of CM, the issuance of bonds to satisfy the remaining financial assistance obligations under the OPA to complete the Remediation; and

WHEREAS, as provided in the OPA, as implemented by the Settlement Agreement, CM was to be relieved of any and all obligations or responsibilities regarding the 157-Acre Property; that Successor Agency was to fulfill its enforceable obligations under the OPA including providing for the remaining \$50.5 million in funding to the Carson Reclamation Authority consistent with the financial assistance obligations in the OPA to complete the Remediation; and that Carson Reclamation Authority accomplish the remediation of one of the largest undeveloped sites in the City; and

WHEREAS, such transfers and commitments were in consideration of the obligations and undertakings by the parties; and

WHEREAS, in furtherance of the covenant to complete Remediation, in 2015, the Successor Agency issued a series of bonds to further fund Remediation related to the 157-Acre Property; and

WHEREAS, based on the CFA, DTSC continues to have certain oversight rights concerning the development of the 157-Acre Property and agreements affecting the Remedial Systems continue to be subject to DTSC approval; and

WHEREAS, in furtherance of the Settlement Agreement, the Carson Reclamation Authority was assigned all of CM’s rights and assumed all of CM’s obligations pursuant to the EAA Trust Agreement and EAA Trust Account; and

WHEREAS, subsequently, Tetra Tech was terminated and DTSC approved the replacement of the EAA Trust Agreement with the Enterprise Fund Administration Agreement dated January 25, 2017 (the “EFAA”); and

WHEREAS, due to dissolution of the Redevelopment Agency and the determination of the CM not to complete the project, new negotiations with owners of the then San Diego Chargers (“Chargers”) for a National Football League (“NFL”) stadium on the 157-Acre Property had ensued and agreements with the Chargers required that the Carson Reclamation Authority own the Property; and

WHEREAS, following the award of the NFL stadium to the City of Inglewood by the NFL, the Carson Reclamation Authority reaffirmed its plan for commercial and other uses, including low and moderate income housing, on the 157-Acre Property and entered into agreements with other developers, which developers require a clean property for development; and

WHEREAS, a portion of the property is being acquired by CAM-Carson, LLC, a joint venture of two of the leading mall developers in the community, Macerich and Simon (“Developer”), for development of a state-of-the-art regional fashion outlet mall (the “Project”); and

WHEREAS, the Project is expected to provide substantial economic and employment opportunities for the community, with a goal of generating at least 1,600 new direct construction jobs, with another 1,000 indirect and induced construction jobs, as well as 1,500 new retail and related jobs; and

WHEREAS, the remainder of the property is expected to be regional scale mixed use and regional housing, and the Carson Reclamation Authority has received multiple proposals and is expected to make a selection soon; and

WHEREAS, even though one of the principals and obligations under the OPA was for the Redevelopment Agency to provide financing for the public improvements, the City has undertaken certain obligations to fund the public improvements in lieu of the Redevelopment Agency relating to the 157-Acre Property, thereby relieving the Successor Agency of any of those further obligations under the OPA, and will pay for such improvements from certain sales tax revenues generated from the Project; and

WHEREAS, in furtherance of its obligation and principal pursuant to the OPA to provide services to the Project, the City will also be responsible for maintaining these improvements and provide police, fire and other services to the 157-Acre Property; and

WHEREAS, the Remediation is considered to be the most complex environmental remediation project in California, and involves solving the geotechnical problem of developing on a landfill along with protecting groundwater, air quality and human health, including the installation nearly 10,000 structural piles and the Carson Reclamation Authority has made great progress performing the Remediation activities. The Carson Reclamation Authority has requested the Successor Agency, in furtherance of its obligations under the OPA and the Settlement Agreement, to issue up to \$90,000,000 in Bonds to complete the Remediation Activities; and

WHEREAS, OPA and the Settlement Agreement have previously been determined to be enforceable obligations of the Successor Agency by DOF; and

WHEREAS, in furtherance of the OPA and the Settlement Agreement, the Successor Agency now desires and intends to issue not to exceed \$90,000,000 of its bonds designated as “Successor Agency to the Carson Redevelopment Agency Taxable Tax Allocation Bonds, Series 2020C (Final Lien)” (as said name may be adjusted by a Designated Officer, as defined herein) (the “Series 2020 Bonds”), which Series 2020 Bonds may be issued in one or more series, taxable or tax-exempt, secured by funds constituting former tax increment revenues deposited in the Redevelopment Property Tax Trust Fund created pursuant to Section 34170.5(b) of the Law (“RPTTF”); and

WHEREAS, pursuant to California Health and Safety Code Section 34177.5(a)(4), the Successor Agency may issue bonds or incur indebtedness to make payments under enforceable obligations when the enforceable obligations include the irrevocable pledge of property tax increment, formerly tax increment revenues, prior to the effective date of the Law, or other funds and the obligation to issue bonds secured by that pledge; and

WHEREAS, pursuant to California Health and Safety Code Section 34177.5(a)(4), the successor agency may pledge to the bonds or other indebtedness the property tax revenues and other funds described in the enforceable obligation, and that pledge, when made in connection with the issuance of the bonds or the incurring of other indebtedness, shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, California Health and Safety Code Section 34177.5(a)(4) is not deemed to authorize a successor agency to increase the amount of property tax revenues pledged under an enforceable obligation or to pledge any property tax revenue not already pledged pursuant to an enforceable obligation; and

WHEREAS, pursuant to the OPA, as implemented and supplemented by the Settlement Agreement and Method of Finance therein, the Successor Agency has pledged to issue bonds secured by tax increment to complete the Remediation; and

WHEREAS, in furtherance of its obligation to complete the Remediation the Successor Agency will need to provide additional funds and, therefore, additional bonds are necessary over and above the initial \$50.5 million listed in the Settlement Agreement; and

WHEREAS, such obligation of the Successor Agency to provide sufficient funds to complete and finalize the Remediation is an obligation required by the OPA, as implemented and supplemented by the Settlement Agreement; and

WHEREAS, the Redevelopment Agency and/or Successor Agency has the following bonded indebtedness outstanding: (a) Carson Redevelopment Agency Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Series 2003B; (b) Successor Agency to the Carson Redevelopment Agency Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Series 2014A; (c) Successor Agency to the Carson Redevelopment Agency Tax Allocation Refunding Bonds, Series 2016A (Project Area No. 1 Second Lien; RPTTF Secured)(Taxable); (d) Successor Agency to the Carson Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A (Project Area No. 1 Second Lien; RPTTF Secured) (Taxable); (e) Successor Agency to the Carson Redevelopment Agency Merged and Amended Project Area Tax Allocation Refunding Bonds, Series 2014A; (f) Carson Redevelopment Agency Carson Merged and Amended Project Area Subordinate Lien Tax Allocation Refunding Bonds, Series 2007A; (g) Carson Redevelopment Agency Tax Taxable Allocation Housing Bonds, 2010 Series A-T; (h) Carson Redevelopment Agency Tax Allocation Housing Bonds, 2010 Series A; (i) Successor Agency to the Carson Redevelopment Agency Subordinate Tax Allocation Refunding Bonds, 2015 Series B (Taxable); and (j) Successor Agency to the Carson Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (Project Area No. 4) (collectively with any bonded indebtedness refunding such bonded indebtedness, the “Existing Debt”); and

WHEREAS, the Existing Debt is payable from former tax increment moneys and/or moneys in the RPTTF; and

WHEREAS, the Successor Agency is authorized under California Health and Safety Code Section 34177.5(a)(4) to fund the enforceable obligation to remediate the 157-Acre Property; and

WHEREAS, to provide moneys to fund the amounts required under the OPA and Settlement Agreement to complete the Remediation, the Successor Agency now wishes to authorize the issuance

and sale of the Series 2020 Bonds under the provisions of Section 34177.5 of the Law and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the “Refunding Bond Law”), and to approve the form of and authorize the execution and delivery of an Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., the trustee (the “Indenture”); and

WHEREAS, in accordance with Section 34177.5(g) of the Law, the Series 2020 Bonds will also be secured by certain moneys deposited in the RPTTF, constituting former tax increment of the Consolidated Project Area; and

WHEREAS, the Series 2020 Bonds will generally be secured on a subordinate basis to Existing Debt; and

WHEREAS, the Successor Agency will sell the Series 2020 Bonds to Piper Sandler & Co., as representative of itself and of Cabrera Capital Markets, LLC (collectively, the “Underwriters”) pursuant to the terms of a Bond Purchase Agreement, by and among the Successor Agency and the Underwriters (the “Purchase Agreement”); and

WHEREAS, in order to effect the sale of the Series 2020 Bonds by the Successor Agency, the Successor Agency has prepared for approval a draft of the Preliminary Official Statement for the Series 2020 Bonds (“Preliminary Official Statement”); and

WHEREAS, in order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Successor Agency has prepared for approval a draft of a continuing disclosure agreement by and between the Successor Agency and Digital Assurance Certification, LLC, as dissemination agent (the “Continuing Disclosure Agreement”); and

WHEREAS, in compliance with Government Code Section 5852.1, the Successor Agency has obtained from its municipal advisor the required good faith estimates of the following information (a) the true interest cost of the bonds, (b) the finance charge of the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, such good faith estimates are disclosed and set forth in Exhibit A attached hereto and incorporated herein; and

WHEREAS, the Successor Agency hereby determines in accordance with its Debt Management Policy, adopted by City Council on March 21, 2017 (the “Debt Policy”), that it is in the best interests of the Successor Agency, prudent in the management of its fiscal affairs and debt and therefore in furtherance of its public purposes to undertake the financing described herein; and

WHEREAS, pursuant to Health and Safety Code Section 34179, the Second District of the Los Angeles County Consolidated Oversight Boards (the “Oversight Board”) has been established and maintains jurisdiction over the City; and

WHEREAS, the Successor Agency desires the Oversight Board to approve and direct the Successor Agency to undertake the financing proceedings herein referenced in this Resolution.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ACTING AS THE SUCCESSOR AGENCY TO THE CARSON REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Findings. The Successor Agency hereby makes the following findings:

(1) The Successor Agency has made diligent efforts to ensure that the lowest long-term cost financing is obtained, which does not provide for any bullets or spikes and does not use variable rates.

(2) The Successor Agency has made use of an independent municipal advisor in developing financing proposals and the Successor Agency shall make the work products of the municipal advisor available to the California State Department of Finance upon request.

Section 3. Enforceable Obligation. The OPA, as implemented and supplemented by the Settlement Agreement, creates an enforceable obligation for the Successor Agency to fund remediation of the Property and to issue bonds for such purpose pursuant to California Health and Safety Code Section 34177.5(a)(4) or other applicable section.

Section 4. Authorization to Proceed. The Successor Agency hereby approves the issuance of the Series 2020 Bonds in a principal amount not to exceed \$90,000,000, the final principal amount to be determined by the official signing of the Purchase Agreement in accordance with Section 8 below. The Successor Agency hereby determines that it is prudent in the management of its fiscal affairs and a public purpose to issue the Series 2020 Bonds, which shall mature on the dates and accrue interest at the rates set forth in the Purchase Agreement to be executed on behalf of the Successor Agency in accordance with Section 8 hereof.

Section 5. Approval of the Indenture. The Series 2020 Bonds shall be issued pursuant to the Refunding Bond Law and pursuant to the Indenture. The Successor Agency hereby approves the Indenture in the form presented at this meeting and on file with the City Clerk, as Secretary of the Successor Agency. The Chair (Mayor), Vice Chair (Mayor Pro Tempore), Treasurer (Treasurer), Finance Director (Finance Director), and Executive Director (City Manager) (the “Designated Officers”), each acting alone, are hereby authorized and directed to execute, and the Secretary (City Clerk) or Assistant or Deputy Secretary (Assistant or Deputy City Clerk) (“Secretary”), are hereby authorized and directed to attest, the Indenture in said form, together with such additions thereto or changes therein as the Designated Officer executing the Indenture, upon consultation with Bond Counsel, shall deem necessary, desirable or appropriate, and the execution of the Indenture by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes.

Section 6. Authorization of Performance of Indenture. The Successor Agency hereby authorizes the delivery and performance by the Successor Agency of the Indenture. The covenants set forth in the Indenture to be executed in accordance with Section 5 above are hereby approved, shall be deemed to be covenants of the Successor Agency, and shall be complied with by the Successor Agency and its officers.

Section 7. Execution of Bonds. The Series 2020 Bonds shall be executed on behalf of the Successor Agency by the manual or facsimile signature of a Designated Officer, and attested with the manual or facsimile signature of the Secretary. The Bank of New York Mellon Trust Company, N.A., is hereby appointed to act as Trustee for the Series 2020 Bonds.

Section 8. Approval of Purchase Agreement. The form of the Purchase Agreement relating to the purchase of the Series 2020 Bonds by the Underwriters, a copy of which is presented at this meeting and on file with the Secretary, is hereby approved in the form thereof, or with such changes as may be approved by a Designated Officer, said Designated Officer's execution thereof to constitute conclusive evidence of approval of all such changes, and each Designated Officer is hereby authorized, together or alone, to execute and deliver the Purchase Agreement and to insert in the aforesaid Purchase Agreement the dollar amount which reflects the provisions of said Purchase Agreement; provided, however, that the principal amount shall not exceed \$90,000,000, the true interest cost of the Bonds shall not exceed 5% and the Underwriters' discount shall not exceed 0.75% of the principal amount of the Series 2020 Bonds thereof, excluding any original issue discount on the Series 2020 Bonds.

Section 9. Approval of the Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement, a copy of which is attached to the Preliminary Official Statement and is presented at this meeting and on file with the Secretary, be and is hereby approved in substantially the form thereof or with such changes as may be approved by a Designated Officer, said Designated Officer's execution thereof to constitute conclusive evidence of said Designated Officer's approval of all such changes, and each Designated Officer be and is hereby authorized, together or alone, to execute and deliver said Continuing Disclosure Agreement.

Section 10. Approval of the Preliminary Official Statement. The form of the Preliminary Official Statement presented at this meeting and on file with the Secretary describing the Series 2020 Bonds, the Successor Agency, the Consolidated Project Area, and certain other information deemed material to an informed investment decision relating to the Series 2020 Bonds, is hereby approved, with such changes as may be approved by a Designated Officer in consultation with Nixon Peabody LLP, as Disclosure Counsel. Any Designated Officer is authorized to deem final the Preliminary Official Statement as of its date for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934 as amended. The final Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by a Designated Officer, such approval to be conclusively evidenced by the delivery thereof. The Designated Officers are each hereby authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute and deliver the final Official Statement and any supplement or amendment thereto to the Underwriters.

Section 11. Valid and Binding Obligation Pursuant to Section 34177.5(g) of the Law, any bonds authorized by Section 34177.5 shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule, and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172, as provided in paragraph (2) of subdivision

(a) of Section 34183. Property tax revenues pledged to any such bonds are taxes allocated to the successor agency pursuant to subdivision (b) of Section 33670 and Section 16 of Article XVI of the California Constitution. Pursuant to Section 33641.5 of the Redevelopment Law, a pledge of collateral by a redevelopment agency to secure, directly or indirectly, the payment of the principal or redemption price of, or interest on, any bonds which is issued by or entered into by an agency shall be valid and binding in accordance with the terms of the pledge document from the time the pledge is made for the benefit of pledgees and successors thereto.

Section 12. Confirmation of Consultants. The Successor Agency hereby confirms that Aleshire & Wynder LLP shall serve as Bond Counsel at its hourly rate under its contract with the City; that Nixon Peabody LLP will serve as Disclosure Counsel in connection with the issuance of the Series 2020 Bonds; that Harrell & Company Advisors, will serve as Municipal Advisor; and that DHA Consulting will serve as Fiscal Consultant, in connection with the issuance of Series 2020 Bonds. The Executive Director/ City Manager is hereby authorized to enter into and execute such engagement letters, amendments or contracts as she deems necessary for said services.

Section 13. Appointment of a Bond Underwriters. The Successor Agency hereby appoints Piper Sandler & Co., as representative of itself and of Cabrera Capital Markets, LLC to serve as Underwriters in connection with the issuance of the Series 2020 Bonds subject to a Purchase Agreement to be entered into with said underwriters.

Section 14. Recovery of Costs. Staff is hereby authorized and ordered to take all actions necessary recover reasonable costs incurred in connection with this transaction from the proceeds of the Series 2020 Bonds or, if the Successor Agency is not able to issue its bonds or the issuer is not able to issue its bonds relating to the Successor Agency, by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in Health and Safety Code Section 34171(b).

Section 15. Further Action. Upon approval by the Successor Agency, the Successor Agency hereby directs the Executive Director and other appropriate officers and employees of the Successor Agency to submit or cause to be submitted all legal proceedings and documents to issue the Series 2020 Bonds to the Oversight Board and, as provided in Section 34180(j) with the Los Angeles County Administrative Officer, the Los Angeles County Auditor-Controller and the California Department of Finance for consideration at the earliest practical opportunity.

Section 16. Official Action. All actions heretofore taken by the officers and agents of the Successor Agency with respect to the issuance of the Series 2020 Bonds are hereby approved, confirmed and ratified. The Designated Officers of the Successor Agency and the Secretary and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, including applying for bond insurance, reserve fund insurance policies, execution and delivery of any and all assignments, certificates, tax certificates, municipal bond insurance commitments and agreements, reserve surety commitments, requisitions, including requisitions for the payment of costs of issuance of the Series 2020 Bonds, agreements, notices, consents, instruments of conveyance, warrants, final and conclusive determination with respect to the Series 2020 Bonds, to divide the Series 2020 Bonds into fewer or additional series, which may be issued on a tax-exempt

or taxable basis, as applicable, 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 Series 2020 Bonds to the purchaser, or purchasers of the Series 2020 Bonds.

Section 17. Debt Policy. The Successor Agency finds that the Series 2020 Bonds is an authorized form of long-term debt, as that term is defined within the Debt Policy, that the Series 2020 Bonds are appropriate to finance this enforceable obligation contemplated herein, and that the Series 2020 Bonds are compliant with and meet all necessary and required conditions of the Debt Policy.

Section 18. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 19. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED and ADOPTED this 28th day of January, 2020.

Albert Robles, Chair

ATTEST:

Donesia L. Gause Aldana, MMC, Secretary

EXHIBIT A

The good faith estimates set forth herein are provided with respect to the Series 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Harrell & Company Advisors (together, the Successor Agency's "Municipal Advisor").

Principal Amount of the Series 2020 Bonds. The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2020 Bonds to be sold is \$87,645,000 (the "Estimated Principal Amount").

True Interest Cost of the Series 2020 Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the respective Estimated Principal Amount of the Series 2020 Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2020 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2020 Bonds, is 3.85%.

Finance Charge of the Series 2020 Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Series 2020 Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2020 Bonds), is \$1,045,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Series 2020 Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the Series 2020 Bonds, less the finance charge of the Series 2020 Bonds as estimated above, less a debt service reserve fund deposit for the Series 2020 Bonds, paid or funded with proceeds of the Series 2020 Bonds, is \$80,000,000.

Total Payment Amount. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Series 2020 Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the Series 2020 Bonds, plus the finance charge for the Series 2020 Bonds, as described above, not paid with the respective proceeds of the Series 2020 Bonds, calculated to the final maturity of the Series 2020 Bonds, is \$123,400,000 and the sum of annual ongoing costs to administer the Series 2020 Bonds not paid with proceeds of the Series 2020 Bonds is \$105,000.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on January 16, 2020. The actual principal amount of the Series 2020 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect

thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2020 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2020 Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Series 2020 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2020 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, or a combination of such factors. The actual date of sale of the Series 2020 Bonds and the actual principal amount of Series 2020 Bonds sold will be determined by the Successor Agency based on various factors. The actual interest rates borne by the Series 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2020 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.