

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION OF THE  
CITY OF SOUTH GATE, AUTHORIZING THE ISSUANCE  
OF ITS SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION OF THE CITY OF  
SOUTH GATE TAX ALLOCATION REFUNDING BONDS,  
IN ONE OR MORE SERIES; AUTHORIZING THE  
EXECUTION AND DELIVERY OF ONE OR MORE  
INDENTURES, LOCAL OBLIGATION PURCHASE  
CONTRACTS, ESCROW AGREEMENTS AND  
CONTINUING DISCLOSURE AGREEMENTS AND THE  
PREPARATION OF ONE OR MORE OFFICIAL  
STATEMENTS AND OTHER MATTERS RELATED  
THERE TO**

**WHEREAS**, the Community Development Commission of the City of South Gate ("Former RDA") previously was a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code, and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.*, and specifically formed by the City Council ("City Council") of the City of South Gate ("City"); and

**WHEREAS**, Assembly Bill x1 26 chaptered and effective on June 28, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012, and subsequent legislation (together, "Dissolution Law"); and

**WHEREAS**, as of February 1, 2012 the Former RDA was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Community Development Commission of the City of South Gate ("Agency") administers the enforceable obligations of the Former RDA and otherwise unwinds the Former RDA's affairs as confirmed by Resolution No. 7473 adopted by the City on January 11, 2012; and

**WHEREAS**, the Agency's affairs are subject to the review and approval by a seven-member oversight board pursuant to Section 34179 ("Oversight Board"), which was formed and had its initial meeting on April 23, 2012; and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from

distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

**WHEREAS**, among other provisions of Assembly Bill No. 1484, Section 34177.5 of the Dissolution Law provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

**WHEREAS**, in 2002, the South Gate Public Financing Authority ("SGPFA"), for the benefit of the Former RDA, issued its South Gate Public Financing Authority 2002 Tax Allocation Revenue Bonds (South Gate Redevelopment Project No. 1) ("2002 Bonds") in the aggregate principal amount of \$17,335,000, payable from principal and interest payments under a Loan Agreement, dated as of October 1, 2002 ("2002 Loan"), by and between the Former RDA and the SGPFA, attributable to the Former RDA's South Gate Redevelopment Project No. 1, which 2002 Loan is subject to prepayment and which 2002 Bonds are subject to optional redemption and prepayment and redemption may be made on any interest payment date for the 2002 Bonds, currently at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for prepayment and redemption, as applicable; and

**WHEREAS**, in 2002, the City, for the benefit of the Former RDA, caused (i) the City of South Gate Certificates of Participation 2002 Series A, evidencing interests in lease payments to be made by the City pursuant to a lease agreement ("2002A Lease"), in the aggregate principal amount of \$15,185,000 ("2002A Certificates"), and (ii) the City of South Gate Certificates of Participation 2002 Series B (Taxable), evidencing interests in lease payments to be made by the City pursuant to a lease agreement ("2002B Lease"), in the aggregate principal amount of \$7,280,000 ("2002B Certificates"), to be executed and delivered, which such lease payments of the City under each such lease agreement were supported by principal and interest payments (a) with respect to the 2002A Lease, under a Loan Agreement, dated as of March 1, 2002 ("2002A Loan"), by and between the Former RDA and the City, and (b) with respect to the 2002B Lease, under a Loan Agreement, dated as of March 1, 2002 ("2002B Loan"), by and between the Former RDA and the City, both attributable to the Former RDA's South Gate Redevelopment Project No. 1, which 2002A Loan, 2002A Lease and 2002A Certificates, and 2002B Loan, 2002B Lease and 2002B Certificates, are subject to prepayment on any interest payment date for the related certificates, currently at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for prepayment; and

**WHEREAS**, in 2003, the SGPFA, for the benefit of the Former RDA, issued its South Gate Public Financing Authority 2003 Tax Allocation Revenue Bonds (South Gate Redevelopment Project No. 1) ("2003 Bonds") in the aggregate principal amount of \$31,900,000, payable from principal and interest payments under a Loan Agreement, dated as of November 1, 2003 ("2003 Loan" and, together with the 2002 Loan, the 2002A Loan and the 2002B Loan, the "Prior Obligations"), by and between the Former RDA and the SGPFA, attributable to the Former RDA's South Gate Redevelopment Project No. 1, which 2003 Loan is subject to prepayment and which 2003 Bonds are subject to optional redemption and prepayment and redemption may be made on any interest payment date for the 2003 Bonds at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for prepayment and redemption, as applicable, without premium; and



**WHEREAS**, Section 34177.5(a)(1) of the Dissolution Law authorizes successor agencies to refund outstanding bonds or other indebtedness to be refunded provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

**WHEREAS**, the Oversight Board, pursuant to Section 34177.5(f) of the Dissolution Law, has previously directed the Agency to issue bonds to refund the Prior Obligations of the Former RDA to provide debt service savings to the Agency; and

**WHEREAS**, the Agency was requested to return to the Oversight Board once the refunding issue and related documents have been prepared for approval of the refunding pursuant to Section 34180(b) of the Dissolution Law; and

**WHEREAS**, the County of Los Angeles ("County"), a political subdivision of the State of California and taxing entity recipient of property tax revenues, represented by voting membership on the Oversight Board, has developed a program ("Refunding Program") to assist successor agencies within the County to refund bonds or other indebtedness pursuant to the Dissolution Law in order to provide debt service savings to participating successor agencies within the County, efficiencies in issuance and cost of issuance savings; and

**WHEREAS**, the Refunding Program contemplates revenue bonds to be offered to the public in connection with the proposed refunding of all or a portion of the Prior Obligations (together with outstanding bonds or other indebtedness of successor agencies other than the Agency) through the issuance by the County of Los Angeles Redevelopment Refunding Authority ("Authority"), in one or more series, of its Tax Increment Revenue Refunding Bonds, Series 2014, with such other name and series designation as shall be deemed appropriate ("Authority Bonds"), pursuant to and under the terms of one or more trust agreements (each, a "Trust Agreement"), between the Authority and a corporate trustee bank to be designated by the Authority, as trustee ("Authority Trustee"); and

**WHEREAS**, pursuant to Section 34177.5(f) of the Dissolution Law, the Oversight Board has requested that the Agency prepare to issue refunding bonds, which refunding bonds may be sold to the Authority pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) following a determination by the Agency to participate in the Refunding Program, to refund all or a portion of the Prior Obligations; provided that this request shall not offer any assurance that Authority Bonds will be sold by the Authority under the Refunding Program to refund all or any portion of the Prior Obligations; and

**WHEREAS**, there are potential debt service savings that can be achieved through a refinancing of the Prior Obligations and the Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2014, in one or more series and with such other name and series

designation as shall be deemed appropriate ("Refunding Bonds"), for the purpose of (i) refunding all or a portion of the Prior Obligations, (ii) paying the costs of issuing the Refunding Bonds and the Agency's share (as determined by the Authority) of costs incident to the authorization, issuance and sale of Authority Bonds, (iii) funding a reserve account for the Refunding Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the reserve account for the Refunding Bonds in lieu of funding all or a portion of such reserve account with bond proceeds; and

**WHEREAS**, the Refunding Bonds will be issued pursuant to an Indenture of Trust ("Indenture") by and between the Agency and a corporate trustee bank to be designated by the Authority, as trustee ("Agency Trustee"); and

**WHEREAS**, the Agency has determined that remaining proceeds, if any, of the Prior Obligations ("Prior Proceeds") that are not intended to be spent by the Agency in a manner consistent with the respective bond covenants applicable to the Prior Obligations and AB 1484, shall be used to defease and/or refund the applicable Prior Obligations and/or to fund a debt service reserve account for the related Refunding Bonds; and

**WHEREAS**, the Agency has determined pursuant to Section 6588(v) of the California Government Code to sell the Refunding Bonds to the Authority pursuant to a separate local obligation purchase contract for each series of Authority Bonds (each, a "Local Obligation Purchase Contract") by and between the Agency and the Authority, and hereby finds and determines that such sale will result in significant public benefits including demonstrable savings in effective interest rate, bond preparation, bond underwriting discount, original issue discount or bond issuance costs and more efficient delivery of local agency services to residential and commercial development; and

**WHEREAS**, in connection with the purpose stated above, the Agency and the Authority desire that the Agency and the applicable trustee for the 2002 Bonds, the 2002A Certificates, the 2002B Certificates and the 2003 Bonds, as escrow agent ("Escrow Agent"), enter into a separate escrow agreement with respect to each of such obligations (each, an "Escrow Agreement"), pursuant to which the Agency will provide the Escrow Agent with money and/or investment securities sufficient to prepay or redeem, as applicable, and refund all or a portion of the Prior Obligations in accordance with the terms thereof (resulting in the refunding of all or a portion of the 2002 Bonds, the 2002A Certificates, the 2002B Certificates and the 2003 Bonds, as applicable); and

**WHEREAS**, Stifel, Nicolaus & Company, Incorporated and Citigroup Global Markets Inc. (collectively, the "Underwriters"), have submitted to the Authority a proposed form of an agreement to purchase each series of the Authority Bonds ("Bond Purchase Agreement") by and between the Underwriters and the Authority, which includes a Letter of Representations ("Letter of Representations") to be executed by the Agency; and

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Authority Bonds, the underwriters thereof must have reasonably determined that the Agency, as an obligated person, has undertaken in a written agreement or contract for the benefit of the holders of the Authority



Bonds to provide disclosure of certain financial information and operating data and certain enumerated events on an ongoing basis; and

**WHEREAS**, in order to cause such requirement to be satisfied, the Agency desires to execute one or more continuing disclosure agreements (each, a "Continuing Disclosure Agreement") by and among the Agency, the Authority and the Authority Trustee, pursuant to which the Authority and the Agency will provide annual disclosure and notices in the event of certain enumerated events; and

**WHEREAS**, a form of the Preliminary Official Statement ("Preliminary Official Statement") to be distributed in connection with the public offering of the Authority Bonds has been prepared, pertaining primarily to the Authority Bonds but also describing the Refunding Program, the Refunding Bonds, the Agency, its South Gate Redevelopment Project No. 1, other successor agencies participating in the Refunding Program, if any, and certain other information deemed material to an informed investment decision respecting the Authority Bonds;

**NOW THEREFORE, THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE 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. Approval of Bonds.** Subject to the provisions of Section 3 hereof, the issuance of the Refunding Bonds, in one or more series, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Refunding Bonds shall be dated, shall accrue interest at the rates, shall mature on the dates, shall be issued in the form, and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

**SECTION 3. Approval of Indenture; Execution of Refunding Bonds.** The Indenture providing for the issuance of the Refunding Bonds, substantially in the form on file with the Secretary of the Agency, is hereby approved. The Chair of the Agency, the Executive Director of the Agency, the City's Assistant City Manager/Finance Director and the Secretary of the Agency (each an "Authorized Officer" and collectively, the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the Agency, to execute and deliver the Indenture in substantially said form, with such changes therein as the Authorized Officer executing the same may, upon consultation with the City Attorney/General Counsel to the Agency and/or upon consultation with special bond counsel, require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Each of the Authorized Officers are hereby authorized and directed, respectively, as such officers to execute, and the Secretary of the Agency is hereby authorized to countersign, each of the Refunding Bonds on behalf of the Agency, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the Refunding Bonds by the Agency. In case either of such Authorized Officers whose signature appears on the Refunding Bonds shall cease to be such officer before the delivery of the Refunding Bonds to the purchaser,



such signature shall nevertheless be valid and sufficient for all purposes the same as though such officer had remained in office until the delivery of the Refunding Bonds.

**SECTION 4. Approval of Local Obligation Purchase Contract.** The form of the Local Obligation Purchase Contract, substantially in the form on file with the Secretary of the Agency, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Agency, to execute and deliver one or more Local Obligation Purchase Contracts in substantially said form, with such changes therein as the Authorized Officer executing the same may, upon consultation with the City Attorney/General Counsel to the Agency and/or upon consultation with special bond counsel, require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the issuance of the Refunding Bonds shall comply with the terms of Section 34177.5(a)(1) of the Dissolution Law and the remaining Prior Proceeds that are not intended to be spent by the Agency in a manner consistent with the respective bond covenants applicable to the Prior Obligations and the Dissolution Law, shall be used to defease and/or refund the applicable Prior Obligations and/or to fund a debt service reserve account for the related Refunding Bonds. The Agency's participation in the Refunding Program is approved as described in this Resolution.

**SECTION 5. Approval of Escrow Agreement.** The form of the Escrow Agreement, substantially in the form on file with the Secretary of the Agency, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Agency, to execute and deliver one or more Escrow Agreements in substantially said form, with such changes therein as the Authorized Officer executing the same may, upon consultation with the City Attorney/General Counsel to the Agency and/or upon consultation with special bond counsel, require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 6. Approval of Letters of Representations.** The form of the Bond Purchase Agreement, substantially in the form on file with the Secretary of the Agency, is acknowledged by the Agency and the form of Letter of Representations of the Agency, on file with the Secretary of the Agency, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Agency, to execute and deliver one or more Letters of Representation, in substantially said form and as required in connection with the Authority's execution and delivery of the Bond Purchase Agreement or Agreements, with such changes therein as the Authorized Officer executing the same may, upon consultation with the City Attorney/General Counsel to the Agency and/or upon consultation with special bond counsel, require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 7. Approval of Preliminary Official Statement.** The form of the Preliminary Official Statement in substantially the form on file with the Secretary of the Agency and acknowledged by the Agency, and the form of Agency "Appendix \_\_\_\_" (to be attached as an appendix to the Preliminary Official Statement and final Official Statement and completed with a letter designation distinguishing the Agency's appendix from that of other successor agencies participating in the Refunding Program, if any) (the "Agency Appendix") on file with the Secretary of the Agency is hereby approved with such changes as may be approved, upon consultation with the City Attorney/General Counsel or special bond counsel to the Agency, by



an Authorized Officer. The Authorized Officers are each hereby authorized to certify on behalf of the Agency that the Preliminary Official Statement (including the Agency Appendix but excluding information concerning the Authority, the Authority Bonds, security for the Authority Bonds (other than the Refunding Bonds and information relating to the Agency, the Prior Obligations and security for the Refunding Bonds), and information concerning other successor agencies, if any, The Depository Trust Company and its book-entry system and any municipal bond insurer, bond insurance policy and debt service reserve fund surety bond or policy as may be described the Preliminary Official Statement, and certain final pricing, rating and related information as permitted to be excluded by Rule 15c2-12), is deemed final as of its date, within the meaning of Rule 15c2-12.

The preparation and delivery of one or more final Official Statements, and use of such by the Underwriters in connection with the offering and sale of the Authority Bonds, is hereby acknowledged and, the inclusion of the final Agency Appendix in such final Official Statement(s), which shall be substantially in the form of the related Agency Appendix attached to the related Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, upon consultation with the City Attorney/General Counsel or special bond counsel to the Agency, such approval to be conclusively evidenced by the delivery thereof, is hereby authorized and approved. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Agency, to deliver the final Agency Appendix and any supplement or amendment thereto to the Underwriters for inclusion in the final Official Statement(s).

The Authorized Officers are each hereby authorized to approve corrections and additions to the related Agency Appendix by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by an Authorized Officer as necessary to cause the information contained therein to conform to facts material to the Refunding Bonds or the Authority Bonds or to the proceedings of the Agency or the Authority or that such corrections or additions are in form rather than in substance.

If and to the extent multiple series of Refunding Bonds are issued and each series of Refunding Bonds secure separate series of Authority Bonds offered pursuant to separate Preliminary Official Statements, the approvals herein shall apply equally to each such related Agency Appendix.

**SECTION 8. Approval of Continuing Disclosure Agreement.** The form of the Continuing Disclosure Agreement, substantially in the form on file with the Secretary of the Agency, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Agency, to execute and deliver one or more Continuing Disclosure Agreements in substantially said form, with such changes therein as the Authorized Officer (in consultation with the City Attorney/General Counsel or special bond counsel to the Agency) executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Agency hereby covenants for the benefit of the Authority and the holders of the Authority Bonds, to cooperate with the Authority in connection with providing continuing disclosure in compliance with the requirements of Rule 15c2-12. Without limiting the generality



of the foregoing, the Authorized Officers are, and each of them, is hereby authorized and directed to provide the information in the possession of the Agency necessary for the Authority to prepare and file an annual report containing the matters required by Rule 15c2-12 and for issuance and publication of notices of enumerated events, if such enumerated events shall occur, pertaining to the Refunding Bonds and the Authority Bonds and related matters as prescribed by Rule 15c2-12. The estimated cost and expense of such continuing disclosure services shall be included in future Recognized Obligation Payment Schedule(s).

**SECTION 9. Other Acts.** Each of the Authorized Officers and other appropriate officers of the Agency, including the City Attorney/General Counsel and special bond counsel to the Agency, each acting alone, are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Refunding Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Refunding Bonds, and the Local Obligation Purchase Contract including, without limitation, to amend any indenture, trust agreement, loan agreement, lease or other agreement relating to the Prior Obligations, to secure municipal bond insurance on the Refunding Bonds or the Authority Bonds and/or a reserve surety to fund any reserve account or fund established for the Refunding Bonds, if available (which may include entering into a mutual insurance agreement(s) therefor), to request subordination of any amounts required to be paid to an affected taxing entity to any or all of the Refunding Bonds, and as the Authorized Officer may require or approve, in consultation with special bond counsel and the City's financial advisors in furtherance of this Resolution and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

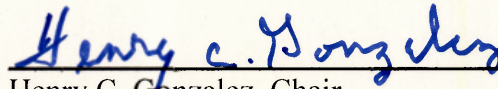
**SECTION 10. Bond Issuance Services.** Orrick, Herrington and Sutcliffe LLP is hereby approved and appointed as Bond Counsel, HdL Coren & Cone is hereby approved and appointed as Fiscal Consultant and KNN Public Finance is hereby approved and appointed as Financial Advisor, each of which are consultants to the Refunding Program to provide such services and any other related services as may be required to issue the Refunding Bonds and the Authority Bonds and to defease and/or refund the Prior Obligations. Kosmont Realty Corporation is hereby approved and appointed as an additional financial advisor to the Agency, Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, is hereby approved and appointed as special bond counsel to the Agency, and Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby approved and appointed as Agency counsel, each to provide such services and any other related services as may be required to issue the Refunding Bonds and the Authority Bonds and to defease and/or refund the Prior Obligations.

**SECTION 11. 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 Agency declares that the Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.



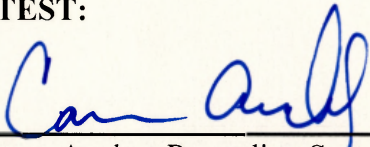
**SECTION 12. Effective Date.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 13th day of May, 2014.



Henry C. Gonzalez, Chair  
Successor Agency to the Community Development  
Commission of the City of South Gate

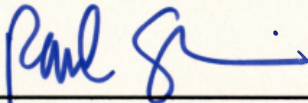
**ATTEST:**



Carmen Avalos, Recording Secretary  
Successor Agency to the Community Development  
Commission of the City of South Gate

(SEAL)

**APPROVED AS TO FORM:**



Raul F. Salinas, Authority Counsel  
Successor Agency to the Community Development  
Commission of the City of South Gate



**RESOLUTION CERTIFICATION PAGE**

**STATE OF CALIFORNIA            )**

**COUNTY OF LOS ANGELES    )       SS**

**CITY OF SOUTH GATE         )**

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the Successor Agency of said City is five; that Resolution No. 17 was adopted by the Successor Agency at their Regular Meeting held on May 13, 2014, by the following vote:

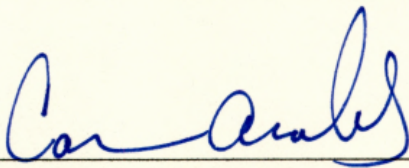
Ayes:           Agency Members:   Gonzalez, Morales, Davila, De Witt and Hurtado

Noes:           Agency Members:   None

Absent:          Agency Members:   None

Abstain:        Agency Members:   None

Witness my hand and the seal of said City on May 15, 2014.



Carmen Avalos, City Clerk  
City of South Gate, California