

RESOLUTION NO. 7600

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SOUTH GATE AUTHORIZING AMENDMENTS TO CERTAIN
AGREEMENTS IN CONNECTION WITH THE ISSUANCE BY THE
SUCCESSOR AGENCY OF ITS SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF
SOUTH GATE TAX ALLOCATION REFUNDING BONDS, IN ONE
OR MORE SERIES**

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, pursuant to the Indenture of Trust, dated as of October 1, 2002 (“2002 Indenture”), by and between the SGPFA and U.S. Bank, N.A., as trustee; and

WHEREAS, the 2002 Bonds are 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; and

WHEREAS, the 2002A Certificates were delivered pursuant to a Trust Agreement, dated as of March 1, 2002 (“2002A Trust Agreement”), by and among U.S. Bank, N.A., as trustee, the SGPFA and the City; and

WHEREAS, the 2002B Certificates were delivered pursuant to a separate Trust Agreement, dated as of March 1, 2002 (“2002B Trust Agreement”), by and among U.S. Bank, N.A., as trustee, the SGPFA and the City; and

WHEREAS, the 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, pursuant to the Indenture of Trust, dated as of November 1, 2003 (“2003 Indenture”), by and between the SGPFA and U.S. Bank National Association, as trustee; and

WHEREAS, the 2003 Bonds are 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, the Agency has indicated that there are potential debt service savings that can be achieved through a refinancing of the Prior Obligations, and the Agency has determined to provide for the refunding of all or a portion of the Prior Obligations to achieve such debt service savings in accordance with California Health and Safety Code Section 34177.5(a)(1); and

WHEREAS, the Agency has requested certain amendments to facilitate the refunding, prepayment and/or redemption of the Prior Obligations which the Agency has determined can be accomplished without material adverse impact to holders of the related obligations and which, as applicable, will be approved by providers of municipal bond insurance securing such Prior Obligations; and

WHEREAS, the requested amendments to the 2002A Trust Agreement and the 2002B Trust Agreement, to each of which the City is a party, will be made as provided in the form of a First Amendment to Trust Agreement ("First Amendment") by and among the Authority, the City and the respective trustee;

NOW THEREFORE, CITY COUNCIL 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 Amendments. The form of the First Amendment, substantially in the form on file with the City Clerk, is hereby approved. The Mayor, the City's Assistant City Manager/Finance Director and the City Clerk (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 City, to execute and deliver the Amendments 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 3. Other Acts. Each of the Authorized Officers and other appropriate officers of the City, 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 carry out, give effect to and comply with the terms and intent of this Resolution as the Authorized Officer may require or approve, in consultation with the City Attorney/General Counsel to the Agency and/or upon consultation with special bond

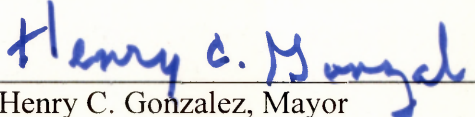
counsel and the City's financial advisors in furtherance of this Resolution and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

SECTION 4. 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 City declares that the City would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

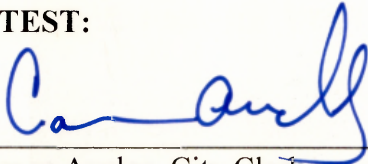
SECTION 5. Effective Date. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 27th day of May, 2014.

CITY OF SOUTH GATE:

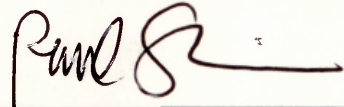

Henry C. Gonzalez, Mayor

ATTEST:


Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:


Raul F. Salinas, City Attorney

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 City Council of said City is five; that Resolution No. 7600 was adopted by the City Council at their Joint Meeting held on May 27, 2014, by the following vote:

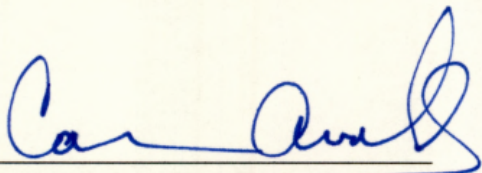
Ayes: Council Members: Gonzalez, Morales, Davila and Hurtado

Noes: Council Members: None

Absent: Council Members: De Witt

Abstain: Council Members: None

Witness my hand and the seal of said City on June 18, 2014.



Carmen Avalos, City Clerk
City of South Gate, California