

RESOLUTION NO. 2395

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SHAFTER COMMUNITY DEVELOPMENT AGENCY, APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED SHAFTER COMMUNITY DEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the City Council elected to assume the activities and obligations of the Shafter Community Development Agency (the "Former Agency"), as the successor entity to the Former Agency (the "Successor Agency");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued \$9,150,000 Shafter Community Development Project No. 1 2006 Tax Allocation and Refunding Bonds, Series A (the "2006 Project No. 1 Bonds"), and its \$6,685,000 Shafter Community Development Project No. 2 Tax Allocation and Refunding Bonds, Series A (the "2006 Project No. 2 Bonds," and together with the 2006 Project No. 1 Bonds, the "Prior Bonds") for the purpose of financing redevelopment activities;

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency to the Shafter Community Development Agency of the Subordinate Tax-Exempt Tax Allocation Refunding Bonds, to be issued in one or more series (the "Tax-Exempt Bonds") and the Subordinate Taxable Tax Allocation Refunding Bonds, to be issued in one or more series (the "Taxable Bonds," collectively with the Tax-Exempt Bonds, the "Refunding Bonds"), the Successor Agency has caused its financial advisor, Fieldman, Rolapp & Associates (the "Financial Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay all or a portion of the Prior Bonds and, thereby, to refund all or a portion of the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency wishes at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of the Indenture of Trust, expected to be dated as of the first day of the month such bonds are issued, by and between the Successor Agency and Wells Fargo Bank, National Association, as trustee, providing for the issuance of the Refunding Bonds (the "Indenture of Trust") and separate Escrow Deposit and Trust Agreements (each an "Escrow Agreement") between the Successor Agency and Wells Fargo Bank, National Association, as escrow bank for the Prior Bonds, for the 2006 Project No. 1 Bonds and 2006 Project No. 2 Bonds, each such Escrow Agreement to be dated as of the first day of the month of the issuance and delivery of the Refunding Bonds;

WHEREAS, pursuant to Section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency;

WHEREAS, the Successor Agency requests that the Oversight Board approve the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture of Trust;

WHEREAS, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds on a negotiated basis to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and the Successor Agency will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") in connection with the sale of the Refunding Bonds subject to the limitations set forth in this Resolution; and

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency to be effective upon approval by the California Department of Finance of such approval by the Oversight Board, the Successor Agency, with the assistance of its Financial Advisor, will select an underwriter to sell the Refunding Bonds and will cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the underwriter of the Refunding Bonds to persons and institutions interested in purchasing the Refunding Bonds; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SHAFTER COMMUNITY DEVELOPMENT 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. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease all or a portion of the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

Section 3. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Redevelopment Law and the Refunding Law in the aggregate principal amount of not to exceed \$8,700,000 for the Tax-Exempt Bonds and \$5,500,000 for the Taxable Bonds, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

Section 4. Approval of the Indenture of Trust. The Successor Agency hereby approves the Indenture of Trust prescribing the terms and provisions of the Refunding Bonds and

the application of the proceeds of the Refunding Bonds. Each of the Mayor, as the Chair and presiding officer of the Successor Agency, or the City Manager of the City of Shafter, as the chief administrative officer of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the Secretary of the Successor Agency, is hereby authorized and directed to attest to, the Indenture of Trust for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, in the capacity of Secretary of the Successor Agency (the "Secretary"), with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture of Trust. The Successor Agency hereby authorizes the delivery and performance of the Indenture of Trust.

Section 5. Approval of Escrow Agreements. The forms of the Escrow Agreements on file with the Secretary are hereby approved and the Authorized Officers are, each acting alone hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreements upon the issuance of each series of Refunding Bonds. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreements.

Section 6. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture of Trust.

Section 7. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of each series of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of each series of the Refunding Bonds without the approval of the Oversight Board, the California Department of Finance, the Kern Auditor-Controller or any other person or entity other than the Successor Agency;

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable

from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 8. Filing of Debt Service Savings Analysis and Resolution. The Secretary of the Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Kern County Administrative Officer, the Kern County Department of Auditor-Controller and the California Department of Finance.

Section 9. Sale of the Refunding Bonds. The Successor Agency hereby approves the Bond Purchase Agreement. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver, the Bond Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Secretary of the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Bond Purchase Agreement.

The Successor Agency hereby approves the sale of the Refunding Bonds to the Underwriter, pursuant to the Bond Purchase Agreement and the Authorized Officers are hereby authorized and directed to provide such information to the Underwriter as they request in connection with the marketing of the Refunding Bonds, and to provide such representations and warranties as is customary in connection with the issuance of bonds such as the Refunding Bonds, including by executing the Successor Agency's Rule 15c2-12 Certificate substantially in the form attached to the Bond Purchase Agreement.

Section 10. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds pursuant to an additional supplement to the Indenture of Trust without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

Section 11. Municipal Bond Insurance and Surety Bonds. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and reserve account surety bonds for the Refunding Bonds from a municipal bond insurance company if it is determined, upon

consultation with the Financial Advisor to the Successor Agency and the Underwriter, that such municipal bond insurance policy and/or surety bonds will reduce the true interest costs with respect to the Refunding Bonds.

Section 12. Approval of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate on file with the Secretary of the Successor Agency is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Continuing Disclosure Certificate. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Continuing Disclosure Certificate.

Section 13. Financial Advisor. The Successor Agency hereby authorizes and approves Fieldman, Rolapp & Associates to serve as the Financial Advisor in all matters relating to the Refunding Bonds and authorizes the execution of the Professional Services Agreement regarding these services as attached as Exhibit A.

Section 14. Fiscal Consultant. The Successor Agency hereby authorizes and approves Keyser Marston Associates, Inc. to serve as the Fiscal Consultant in all matters relating to the Refunding Bonds and authorizes the execution of the Professional Services Agreement regarding these services as attached as Exhibit B.

Section 15. Bond Counsel and Disclosure Counsel. The Successor Agency hereby authorizes and approves Best Best & Krieger LLP to serve as the Bond Counsel and Disclosure Counsel in all matters relating to the Refunding Bonds and authorizes the execution of the Fee Letter regarding these services as attached as Exhibit C.


Section 16. Official Actions. The Authorized Officers 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, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 17. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 7 day of April, 2015.


Cathy Prout, Chairman

ATTEST:


Christine Wilson, City Clerk

CERTIFICATE OF GOVERNING BODY'S ACTION

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

I, Christine Wilson, City Clerk of the City of Shafter, California, DO HEREBY CERTIFY that the above Resolution 2395, a Resolution of the City Council of the City of Shafter, was duly passed and adopted at a Regular Meeting held on the 8th day of April, 2015, by the following vote:

AYES: Alvarado, Colvard, Espericueta, Florez, and Prout.
NOES: None.
ABSENT: None.
ABSTAINING: None.

DATED: April 8, 2015

(SEAL)



City Clerk of the City of Shafter

CERTIFICATE OF GOVERNING BODY'S ACTION AS CERTIFIED BY THE CITY CLERK

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

I, Christine Wilson, City Clerk of the City of Shafter, California, DO HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of Resolution No. 2395 duly passed and adopted by the City Council of the City of Shafter at a regular meeting held on the 8th day of April, 2015, by the following vote:

AYES: Alvarado, Colvard, Espericueta, Florez, and Prout.
NOES: None.
ABSENT: None.
ABSTAINING: None.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution No. 2395 is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

DATED: April 8, 2015

(SEAL)



City Clerk of the City of Shafter