

**RESOLUTION NO. SA-40**

**A RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY OF THE  
SCOTTS VALLEY REDEVELOPMENT AGENCY CONFIRMING THE ISSUANCE  
OF REFUNDING BONDS, APPROVING PRELIMINARY AND  
FINAL OFFICIAL STATEMENTS AND PROVIDING FOR  
OTHER MATTERS PROPERLY RELATING THERETO**

**WHEREAS**, the Redevelopment Agency of the City of Scotts Valley (the "Former 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 Health and Safety Code of the State (as amended, the "Redevelopment Law");

**WHEREAS**, a redevelopment plan for the Scotts Valley Redevelopment Project was adopted in compliance with all requirements of the Redevelopment Law, (as such plan was amended pursuant to the Redevelopment Law, the "Redevelopment Plan");

**WHEREAS**, Assembly Bill x1 26, effective June 29, 2011 codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act");

**WHEREAS**, pursuant to Section 34172(a) of the Dissolution Act, the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Dissolution Act, the City of Scotts Valley (the "City") has elected to serve as the successor entity to the Former Agency (the "Successor Agency");

**WHEREAS**, prior to the dissolution of the Former Agency, the Former Agency incurred, among others, the obligations listed on Exhibit A for the purpose of financing and refinancing redevelopment activities (the "Prior Obligations");

**WHEREAS**, the Dissolution Act 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") to refund bonds or other indebtedness for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

**WHEREAS**, the Successor Agency, pursuant to Resolution No. SA-36 (the "SA Resolution"), adopted on November 2, 2016, approved the issuance of the following bonds (the "Refunding Bonds"):

(a) Successor Agency of the Scotts Valley Redevelopment Agency 2017 Tax Allocation Refunding Bonds, Series A (the "2017A Bonds"), which the Successor Agency expects to issue for the purpose of refunding the 2006 Bonds and the portion of the 2009 Reimbursement Obligation related to the 2009A Lease Revenue Bonds, and

(b) Successor Agency of the Scotts Valley Redevelopment Agency 2017 Tax Allocation Refunding Bonds, Taxable Series B (the "2017B Bonds"), which the Successor Agency expects to issue for the purpose of refunding the portion of the 2009 Reimbursement Obligation related to the 2009B Lease Revenue Bonds;

**WHEREAS**, the Successor Agency requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency;

**WHEREAS**, the Oversight Board, by Resolution No. OB-33 (the "OB Resolution"), adopted on November 3, 2016, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds;

**WHEREAS**, pursuant to the SA Resolution, the Successor Agency authorized and directed staff, following a competitive process and without further authorization or approval by this Board, to determine whether the Refunding Bonds should be sold in a public offering to an underwriter to be identified by staff or privately placed with a financial institution to be identified by staff, and whether to fund a reserve fund for the Refunding Bonds, with such determinations to be based upon staff's conclusion, subject to compliance of the sale with the parameters set forth in the SA Resolution, that the method of sale selected by staff will result in the lowest long-term cost financing; and

**WHEREAS**, the Successor Agency, with the assistance of its disclosure counsel, Richards, Watson & Gershon, A Professional Corporation, has prepared a draft of the Official Statement for the Refunding Bonds (the "Official Statement"), which contains, among other things, information regarding the Refunding Bonds, the Former Agency and the Successor Agency, the preliminary form of which is on file with the Secretary of the Successor Agency; and

**WHEREAS**, staff, after consulting with the Successor Agency's municipal advisor, has concluded that a negotiated sale of the Refunding Bonds will result in the lowest long-term cost of financing and has selected Stifel, Nicolaus & Company, Incorporated to be the underwriter of the Refunding Bonds (the "Underwriter"); and

**WHEREAS**, the Successor Agency has prepared a draft of a Bond Purchase Contract for the Refunding Bonds (the "Bond Purchase Contract"), which would be executed by the Successor Agency and the Underwriter; and

**WHEREAS**, the Successor Agency, with the aid of its staff, has reviewed the Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities, and further wishes to approve the use of the Bond Purchase Contract;

**NOW, THEREFORE**, the Board of the Successor Agency of the Scotts Valley Redevelopment Agency, hereby resolves as follows:

1. Recitals. The Successor Agency finds and determines that the above referenced recitals are true and correct and material to this Resolution
2. Confirmation of Issuance of Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds.
3. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form on file with the Secretary of the Successor Agency. Distribution of the preliminary Official Statement by the Successor Agency and the Underwriter is hereby approved, and, prior to the distribution of the preliminary Official Statement, each of the Chair, the Executive Director, the City Attorney, as the general counsel of the Successor Agency and the Finance Director, as the treasurer of the Successor Agency (each, an "Authorized Officer"), each acting alone, is authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and each Authorized Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking substantially in the form appended to the final Official Statement.
4. Bond Purchase Contract. The Successor Agency hereby approves the sale of the Refunding Bonds to the Underwriter pursuant to the Bond Purchase Contract. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Bond Purchase Contract 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 Contract. The Successor Agency

hereby authorizes the delivery and performance of its obligations under the Bond Purchase Contract.

5. 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 connection with 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.
6. Effective Date. This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 15<sup>th</sup> day of March, 2017 by the following vote:

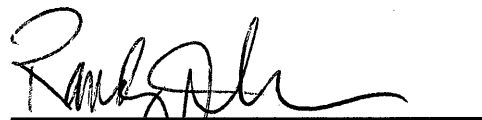
AYES: AGUILAR, DILLES, JOHNSON, LIND, REED

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

  
Tracy A. Ferrara, Agency Secretary

  
Randy Johnson, Chair

## **EXHIBIT A**

### **PRIOR OBLIGATIONS**

\$6,810,000 Redevelopment Agency of the City of Scotts Valley Scotts Valley Redevelopment Project Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Bonds"), issued pursuant to an Indenture of Trust, dated as of June 1, 2006, by and between the Redevelopment Agency of the City of Scotts Valley and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2006 Indenture").

A reimbursement obligation (the "2009 Reimbursement Obligation"), under a Reimbursement Agreement, dated as of December 1, 2009 (the "2009 Reimbursement Agreement"), by and between the City of Scotts Valley and the Redevelopment Agency of the City of Scotts Valley (Redevelopment Agency Refinancing Project related to (i) \$5,260,000 Redevelopment Agency of the City of Scotts Valley Lease Revenue Bonds Series 2009A (the "2009A Lease Revenue Bonds") and (ii) \$3,50,000 Redevelopment Agency of the City of Scotts Valley Lease Revenue Bonds Series 2009B (Taxable) (the "2009B Lease Revenue Bonds"), which were issued pursuant to an Indenture, dated as of December 1, 2009 (the "2009 Indenture"), by and between the Redevelopment Agency of the City of Scotts Valley and The Bank of New York Mellon Trust Company, N.A.