

RESOLUTION NO. 2014-05 OB**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HOLLISTER APPROVING THE ISSUANCE OF BONDS TO REFUND OUTSTANDING BONDS OF THE FORMER REDEVELOPMENT AGENCY, MAKING CERTAIN DETERMINATIONS, AND PROVIDING OTHER MATTERS RELATING THERETO**

WHEREAS, under Section 34172(a) of the California Health and Safety Code (all Section references hereinafter being to that Code), the Redevelopment Agency of the City of Hollister (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the City of Hollister has become the successor entity to the Former Agency (the "Successor Agency");

WHEREAS, a Redevelopment Plan of the Hollister Community Development Project Area (the "Project Area") was approved by Ordinance No. 611, adopted by the City Council of the City of Hollister (the "City") on July 19, 1983;

WHEREAS, to finance and refinance redevelopment activities for the Project Area, the Former Agency has, under its Resolution No. 85-10R, adopted on September 30, 1985, as amended, issued several series of its Redevelopment Agency of the City of Hollister, Hollister Community Development Project Tax Allocation Bonds (the "Former Agency Bonds");

WHEREAS, two series of the Former Agency Bonds remain outstanding, being the Series 2003 Bonds (the "Series 2003 Bonds") and the Series 2009 Bonds (the "Series 2009 Bonds");

WHEREAS, Assembly Bill 26, enacted on June 29, 2011 ("ABx1-26"), amended the Community Redevelopment Law and added Part 1.85 to Division 24 of the Health and Safety Code; ABx1-26 ordered the dissolution of all California redevelopment agencies, including the Former Agency, and the vesting of all authority, rights, powers, duties and obligations of redevelopment agencies in successor agencies as therein defined; pursuant to ABx1-26, the City of Hollister (the "City") thereafter designated itself as the Successor Agency to the Redevelopment Agency of the City of Hollister (the "Successor Agency");

WHEREAS, Assembly Bill 1484, enacted on June 27, 2012 ("AB 1484") further amended the Community Redevelopment Law, and also amended ABx1-26; as used in this resolution, "Law" means the Community Redevelopment Law, as amended and supplemented by ABx1-26 and AB 1484;

WHEREAS, ABx1-26, as amended by AB 1484, authorizes the Successor Agency to issue 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 provide debt service savings within the parameters set forth in Section 34177.5(a)(1) of the Law (the "Statutory Savings Parameters");

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

WHEREAS, the Successor Agency has caused an independent financial advisor, Public Financial Management, Inc., to prepare an analysis of the potential debt service savings (the "Debt Service Savings Analysis") based on estimated interest rates as of the date of the Debt Service Savings Analysis, that will accrue to the Successor Agency and to applicable taxing entities as a result of the refunding of all or a portion of the Series 2003 Bonds (the "Refunded Bonds");

WHEREAS, to provide debt service savings, the Successor Agency desires to issue bonds (the "Bonds") under to the Law and the Refunding Law to refund the Refunded Bonds;

WHEREAS, the Successor Agency has filed with this Oversight Board a copy of its Resolution No. 2014-06 SA, adopted on April 21, 2014 (the "Bond Resolution"), by which the Successor Agency has requested that this Oversight Board approve the issuance of the Bonds, as authorized by Section 34177.5(f) and 34180(b) of the Law, it being understood that, as part of its approval, the Oversight Board will, as authorized by Section 34177.5(f), direct that the Successor Agency recover its related costs in connection with the issuance of the Bonds; and

WHEREAS, the Successor Agency has also submitted to this Oversight Board a copy of the Debt Service Savings analysis, and the form of the Indenture under which the Bonds will be issued and the Bond Purchase Agreement under which the Bonds will be sold.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Hollister, as follows:

1. Approval of Issuance of the Bonds. The Oversight Board approves the issuance of the Bonds, and finds that the issuance is in the financial interests of the taxing entities, so long as the Statutory Savings Parameters set forth in Section 34177.5(a)(1) of the Law are satisfied with respect to the proposed refunding. The Successor Agency shall make diligent efforts to ensure that the lowest long-term cost financing is obtained through the refunding.

The Indenture and the Bond Purchase Agreement are approved in the form submitted to this Oversight Board, subject to revisions approved by the Successor Agency's Authorized Officers in accordance with the Bond Resolution, and the actions taken by those Authorized Officer, in accordance with the Bond Resolution related to the issuance and sale of the Bonds, the refunding of the Refunded Bonds, and the consummation of the transactions contemplated in the Bond Resolution, and approved.

2. Determinations by the Oversight Board. This Oversight Board makes the following determinations upon which the Successor Agency is authorized to rely in its issuance of the Bonds;

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

(b) The application of proceeds of the Bonds by the Successor Agency to the refunding of the Refunded Bonds and the establishment of a reserve, as well as the payment by the Successor Agency of costs of issuance of the Bonds, as provided in Section 34177.5(a) of the Law, shall be implemented by the Successor Agency promptly upon delivery of the Bonds to their initial purchaser, notwithstanding Section 34177.3 of the Law (or any other provision of law to the contrary), without the approval of the Oversight Board, the California Department of Finance, the San Benito County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full allocation of administrative cost allowance pursuant to Section 34181(a)(3) of the Law without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees, and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and the Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183 of the Law.

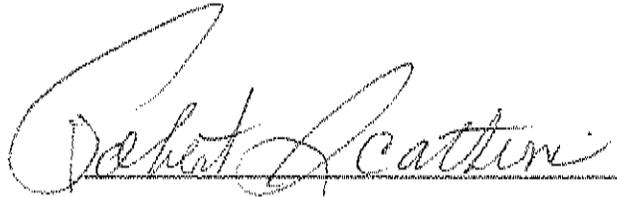
PASSED AND ADOPTED by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Hollister, this 24th day of April, 2014, by the following vote:

AYES: Directors Bill Avera, Steve Kinsella, Robert Scattini, Helen Swanson

NOES:

ABSTAINED:

ABSENT: Directors Jáimé De'La Cruz, Holly McWhinnie, John Tobias

A handwritten signature in cursive script, reading "Robert Scattini", is written over a horizontal line.

Chair,