

**HERCULES SUCCESSOR AGENCY  
TO THE FORMER HERCULES REDEVELOPMENT AGENCY**

**RESOLUTION NO. 22-003-SA**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS IN AN AMOUNT OF NOT TO EXCEED \$98,000,000, AND APPROVING THE FORM OF AN INDENTURE OF TRUST, A FORM OF ESCROW AGREEMENT, A FORM OF BOND PURCHASE AGREEMENT, A FORM OF CONTINUING DISCLOSURE CERTIFICATE, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Hercules Redevelopment Agency (the “Prior Agency”) was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the “Law”), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

**WHEREAS**, an Amended and Restated Redevelopment Plan for the Merged Project Area was adopted and approved, and amended from time to time, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

**WHEREAS**, on June 28, 2011, the California Legislature adopted ABx1 26 (the “Dissolution Act”) and ABx1 27 (the “Opt-in Bill”); and

**WHEREAS**, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill, resulting in the dissolution of the Prior Agency as of February 1, 2012; and

**WHEREAS**, the Prior Agency’s redevelopment powers, assets and obligations were transferred on February 1, 2012 to the Successor Agency to the Hercules Redevelopment Agency (the “Successor Agency”); and

**WHEREAS**, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

**WHEREAS**, the Prior Agency issued (i) the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, Series 2005; (ii) the Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A; (iii) the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable); and (iv) the Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B (collectively, the “Prior Obligations”); and

**WHEREAS**, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness 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, does 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 does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

**WHEREAS**, the Successor Agency now desires to authorize and approve the issuance of tax allocation refunding bonds (the “2022 Bonds”) in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations, and to irrevocably set aside a portion of the proceeds of such 2022 Bonds in one or more separate segregated trust funds which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2022 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

**WHEREAS**, the 2022 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Bond Law”); and

**WHEREAS**, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2022 Bonds; and

**WHEREAS**, good faith estimates of certain information relating to the 2022 Bonds is set forth in the staff report submitted to the Successor Agency herewith as required by California Government Code Section 5852.1; such estimates were provided by Urban Futures Inc., the Successor Agency’s Municipal Advisor; and

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Approval of Bonds.** Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2022 Bonds, in one or more series, and from time to time, in an aggregate principal amount of not to exceed \$98,000,000, or such lesser amount as is sufficient to refund all or a portion of the Prior Obligations for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2022 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2022 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2022 Bonds shall be applied as provided in the Indenture. The 2022 Bonds may be issued as a single issue, or from time to time, in separate series of taxable or tax-exempt bonds, as the Successor Agency shall determine. The approval of the issuance of the 2022 Bonds by the Successor Agency and the Contra Costa County Countywide Oversight Board (the “Oversight Board”) shall constitute the approval of each and every separate series of 2022 Bonds and the sale of the 2022 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

**Section 2. Approval of Indenture.** The form of the Indenture of Trust (the “Indenture”) presented herewith, providing for the issuance of the 2022 Bonds, is hereby approved. The Chair, the Executive Director, the Finance Director, the Secretary any member of the governing board of the Successor Agency or their respective written designee (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 Successor Agency, to execute and deliver the Indenture, in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. If the 2022 Bonds are to be sold in separate series at different times, each of the Authorized Officers is hereby authorized and directed in the name of the Successor Agency to execute any supplement to the Indenture to provide for the issuance of such series of 2022 Bonds consistent with the terms of the Resolution.

Each of the Authorized Officers is hereby authorized and directed to execute and countersign each of the 2022 Bonds on behalf of the Successor Agency, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2022 Bonds on behalf of the Successor Agency. In case either of such officers whose signature appears on the 2022 Bonds shall cease to be such officer before the delivery of the 2022 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2022 Bonds.

**Section 3. Approval of Escrow Agreements.** The form of the Escrow Agreements presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Escrow Agreements for each of the Prior Obligations in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4. Approval of Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver a Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5. Approval of Bond Purchase Agreement.**

(a) The form of the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, as Underwriter, in the form presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Bond Purchase Agreement shall be signed only if the terms of the Bond Purchase Agreement are such that (i) the total interest cost to maturity on the 2022 Bonds plus the principal amount of the 2022 Bonds will not exceed the total remaining interest cost to maturity on the Prior Obligations plus the principal amount of the Prior Obligations, (ii) the principal amount of the 2022 Bonds will not exceed the amount required to defease the Prior Obligations, to establish a customary debt service reserve fund, and to pay related costs of issuance,

and (iii) the aggregate Underwriter's discount (not including any original issue discount paid by the Underwriter) shall not exceed 0.95% of the aggregate principal amount of the 2022 Bonds.

(b) As an alternative to the sale of the 2022 Bonds through a public offering authorized in paragraph (a), the 2022 Bonds may be sold on a private placement basis through Stifel, Nicolaus & Company, Incorporated, acting as private placement agent (the "Private Placement Agent"), if a private placement of the 2022 Bonds will produce lower interest rates (and therefore greater savings) than are available through a public offering of the 2022 Bonds, or if a private placement is otherwise preferable and/or more appropriate to a public offering of the 2022 Bonds, in the opinion of, and upon recommendation of, the Municipal Advisor, which recommendation is agreed to by the Executive Director or Finance Director of the Successor Agency, so long as the interest rate savings specified in paragraph (a) are achieved through said private placement of the 2022 Bonds, and so long as the compensation to the Private Placement Agent through a private placement of the Bonds does not exceed the amount approved by the Executive Director or Finance Director of the Successor Agency.

**Section 6. Debt Management Policy.** The Debt Issuance and Management Policy adopted by the City Council of the City of Hercules is hereby adopted by the Board of Directors of the Successor Agency.

**Section 7. Miscellaneous.** Each of the Authorized Officers and other appropriate officers of the Successor Agency, acting alone, is authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts that they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2022 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the 2022 Bonds, the Indenture, the Continuing Disclosure Certificate, the Bond Purchase Agreement and the Escrow Agreement, each in order to facilitate the issuance of the 2022 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, to amend any of the legal documents entered in connection with the Prior Obligations in order to effectuate the defeasance and refunding of such Prior Obligations, to execute irrevocable refunding instructions with respect to the Prior Obligations, to secure municipal bond insurance on the 2022 Bonds and/or a reserve surety or reserve policy to fund any reserve account or fund established for the 2022 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 2022 Bonds, to negotiate and execute a private placement agreement with the Private Placement Agent, and to negotiate and execute an agreement or instructions for the County Auditor-Controller to directly pay debt service on the 2022 Bonds from the Successor Agency's Redevelopment Property Tax Trust Fund (i.e., irrevocable instructions to intercept property tax revenues or a custody agreement), as the Authorized Officer may require or approve, in consultation with Bond Counsel and the Successor Agency's Municipal Advisor, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

**Section 8. Appointment of Professionals.** Stradling Yocca Carlson & Rauth, A Professional Corporation, is hereby approved and appointed as Bond Counsel and Disclosure Counsel, Urban Futures Inc. is hereby approved and appointed as Municipal Advisor, RSG, Inc. is hereby approved and appointed Fiscal Consultant, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee and Escrow Bank, each to provide such services and any other related services as may be required to issue the 2022 Bonds and to defease and/or refund the Prior Obligations.


**Section 9. 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 Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 10. Effective Date.** This Resolution shall take effect immediately upon its adoption by the governing board of the Successor Agency, and the Secretary shall certify the vote adopting this resolution.

PASSED, APPROVED, AND ADOPTED on January 11, 2022.

DocuSigned by:

ATTEST



Lori Martin  
Secretary

DocuSigned by:

Dion Bailey

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Dion Bailey, Chair

STATE OF CALIFORNIA )  
COUNTY OF CONTRA COSTA )  
CITY OF HERCULES )

I, LORI MARTIN, Secretary of the Successor Agency to the Hercules Redevelopment Agency, DO HEREBY CERTIFY that the foregoing Resolution No. SA 22-003 was duly passed and adopted by the Board of Directors of the Successor Agency to the Hercules Redevelopment Agency at a regular meeting held on the 11th day of January 2022 by the following roll call vote, to wit:

AYES: DIRECTORS: T. Grimsley, C. Kelley, D. Romero, Vice Mayor A. Walker-Griffin, Mayor D. Bailey.

NOES: DIRECTORS: None.

ABSENT: DIRECTORS: None.

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Hercules this 21st day of January, 2022.

DocuSigned by:



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LORI MARTIN, SECRETARY