

RESOLUTION NO. _____

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE
FORMER REDEVELOPMENT AGENCY OF THE CITY OF HOLLISTER
AUTHORIZING AND APPROVING THE SETTLEMENT AND RELEASE AGREEMENT**

WHEREAS, the City of Hollister and the City of Hollister Redevelopment Agency were separate legal entities. On June 28, 2011, Assembly Bill 1X 26 (the “Dissolution Act”) was enacted, which resulted in the dissolution of all redevelopment agencies on February 1, 2012. As a result of the Dissolution Act, the City Council of the City of Hollister adopted Resolution 2012-06, electing to serve as the Successor Agency of the former Redevelopment Agency of the City of Hollister (hereinafter, the “Successor Agency”).

WHEREAS, Robert E. Cain and Todd Renz (hereinafter collectively referred to as “Plaintiffs”) filed a Verified Complaint for: 1. Declaratory Relief; and 2. Quiet Title against the City of Hollister, on June 1, 2022, in San Benito County Superior Court, Case No. CU-22-00087 (the “Action”), naming the City of Hollister as the defendant, seeking to extinguish a lien on commercial property located at 102 San Benito Street (hereinafter, “the Property”) in the City of Hollister, California.

WHEREAS, more specifically in the Action, Plaintiffs alleged the following:

- A. That they were the owners of the Property;
- B. That on or around December 4, 2006, the Redevelopment Agency for the City of Hollister via Resolution 2006-42R, approved the Owner Participation Loan Agreement to loan Plaintiffs up to \$81,000 for the purpose of removing a blighted sign and gas station at the Property;
- C. On or around January of 2007, the Redevelopment Agency for the City of Hollister issued a loan and Plaintiffs executed a Deed of Trust naming the agency as a beneficiary;
- D. On or around June 20, 2013, the Successor Agency’s Oversight Board, held a special meeting where the Loan and Property were placed on the agenda and discussed after Staff provided a report and recommendation. Staff reported that the Loan was in default and that foreclosure proceedings had been discussed; and
- E. No payment was ever made toward the principal or interest of the Loan and has been in Default since on or around January 24, 2010.
- F. Plaintiffs seek equitable relief in the form of a judgment declaring the lien on the property extinguished.

WHEREAS, on or around March 9, 2020, Plaintiffs, along with Bob Cain, executed a Grant Deed for the Property to John H. Sicley, Sr.

WHEREAS, on December 2, 2024, the Successor Agency approved the Settlement Agreement and Release (hereinafter, the “Agreement”), attached hereto, and incorporated herein as Exhibit “A.”

WHEREAS, on January 13, 2025, the Oversight Board for the Successor Agency approved the Agreement during a closed session.

WHEREAS, the Oversight Board determined that the approval of the Agreement would reduce liabilities and increase net revenues to the taxing entities.

WHEREAS, the Oversight Board desires now to approve the Agreement.

WHEREAS, ten (10) days' notice of this resolution has been provided to the public.

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

Approval is hereby given to enter into the Agreement finding as follows:

1. The Agreement will reduce liabilities and increase net revenues to the taxing entities as opposed to the Owner Participation Loan Agreement from December 4, 2006; and
2. The Agreement is in the best interests of the taxing entities.

The foregoing resolution was approved and adopted at a regular meeting of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Hollister held on the ____ day of _____, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

Mayor

ATTEST:

City Clerk/Deputy City Clerk

EXHIBIT A

SETTLEMENT AND RELEASE AGREEMENT

This Settlement Agreement and Mutual Release (hereafter “Agreement”) is entered into by and between Robert E. Cain, Bob Cain, Todd Renz, and John H. Sicley Sr. (hereinafter collectively referred to as “Owners”), the Successor Agency of the former Redevelopment Agency of the City of Hollister (hereinafter referred to as the “Successor Agency”) and the City of Hollister (hereinafter referred to as the “City”).

In this Agreement, the term “Parties” shall mean Robert E. Cain, Bob Cain, Todd Renz, John H. Sicley, Sr., and the Successor Agency and the City, collectively.

The term “Party” shall refer, interchangeably, to each of the Parties listed above.

The Effective Date of this Agreement shall be the date when all Parties have executed this Agreement (“Effective Date”).

RECITALS

While the following is not an exhaustive recitation of the alleged facts relevant to the disputes between the Parties, the following recitals provide the factual context to this Agreement only and shall not be used or construed as an admission by any Party:

1. Robert E. Cain and Todd Renz (hereinafter collectively referred to as “Plaintiffs”) filed a Verified Complaint for: 1. Declaratory Relief; and 2. Quiet Title against the City of Hollister, on June 1, 2022, in San Benito County Superior Court, Case No. CU-22-00087 (the “Action”), seeking to extinguish a lien on commercial property located at 102 San Benito Street (hereinafter, “the Property”) in the City of Hollister, California.

2. Specifically, Plaintiffs’ allegations in the Action include the following:

A. That they were the owners of the Property;

B. That on or around December 4, 2006, the Redevelopment Agency for the City of Hollister via Resolution 2006-42R, approved the Owner Participation Loan Agreement to loan Plaintiffs up to \$81,000 for the purpose of removing a blighted sign and gas station at the Property;

C. On or around January of 2007, the Redevelopment Agency for the City of Hollister issued a loan and Plaintiff’s executed a Deed of Trust naming the agency as a beneficiary;

D. On or around June 20, 2013, the Successor Agency’s Oversight Board, held a special meeting where the Loan and Property were placed on the agenda and discussed after Staff provided a report and recommendation. Staff reported that the Loan was in default and that foreclosure proceedings had been discussed; and

E. No payment was ever made toward the principal or interest of the Loan and has been in Default since on or around January 24, 2010.

F. Plaintiffs seek equitable relief in the form of a judgment declaring the lien on the property extinguished.

3. The City of Hollister and the City of Hollister Redevelopment Agency were separate legal entities. On June 28, 2011, Assembly Bill 1X 26 (the "Dissolution Act") was enacted, which resulted in the dissolution of all redevelopment agencies on February 1, 2012. As a result of the Dissolution Act, the City Council of the City of Hollister adopted Resolution 2012-06, electing to serve as the Successor Agency of the former Redevelopment Agency of the City of Hollister.

4. On or around March 9, 2020, Plaintiffs along with Bob Cain, executed a Grant Deed for the Property to John H. Sicley, Sr.

5. The Parties desire to settle, release and compromise all issues, claims and causes of action arising out of or related to the Action, which may now exist, or which may arise in the future regarding the claims arising out of or related to the Action and that are, or which could have been, asserted in the Action.

AGREEMENT AND RELEASE OF ALL CLAIMS

1. Terms and Conditions. The Parties agree as follows:

A. Payments to Successor Agency.

The Plaintiffs shall pay to the City and the Successor Agency a total sum of Fifty-Five Thousand dollars and zero cents (\$55,000.00), payable to the "City of Hollister or the Successor Agency of the former Redevelopment Agency of the City of Hollister", within thirty (30) days after this Agreement is executed by the payees, which shall be delivered to Quentin Cedar at Lozano Smith Attorneys at Law, 7404 N. Spalding Avenue, Fresno, CA 93720.

B. Dismissal of Action With Prejudice.

Plaintiffs shall file and serve a Request for Dismissal in the Action, with prejudice, within one (1) week after this Agreement is executed by all of the Parties. Such dismissal shall be for the entire action.

C. Release of Deed of Trust for the Property

In exchange for the above acts and the release set forth below, to remove the Deed of Trust, the Successor Agency shall record a Release of Deed of Trust for the Property. The Successor Agency expressly waives all claims for payment arising from the Resolution 2006-42R and the Owner Participation Loan Agreement.

D. The Parties Shall Bear Their Own Costs.

Other than the monies detailed in Paragraph 1(A) above, the Parties shall bear their own respective costs related to the subject action, including attorney fees. Both the City and Plaintiffs expressly waive any claim for costs against each other, including attorney fees, that could have been made during the course of the subject action, or at any other time.

2. General Release. Except for the obligations of the parties set forth in this Agreement, Owners hereby release, acquit, and forever discharge the City of Hollister, the City of Hollister Redevelopment Agency, and the Successor Agency, and their employees, agents, and assigns, from any and all claims, expenses, debts, demands, costs, and other actions or liabilities of every nature, whether known or unknown, whether in law or in equity, which they may have had or may claim to have as a result of the Action (Case No. MCV CU-22-00087) or the Deed of Trust described therein. Owners expressly acknowledge that this release is intended to include in its effect, without limitation, all claims and causes of action which they do not know or suspect to exist in their favor, and this release contemplates the extinguishment of all such claims and causes of action, to the maximum extent allowed by law.

This Agreement is made notwithstanding Section 1542 of the California Civil Code.

3. Waiver of Civil Code § 1542: The Owners agree that all rights under Section 1542 of the California Civil Code are hereby expressly waived with respect to claims arising out of the Action and the events described therein. Said section reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF THE EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY

The Owners acknowledge that they may have sustained damages, losses, fees, costs or expenses that are presently unknown and unsuspected, and that such damages, losses, fees, costs or expenses might give rise to claims in the future. Nevertheless, the Owners acknowledge that this Agreement has been negotiated and agreed upon in light of such possible damages, losses, fees, costs or expenses and acknowledges and waives such claims.

4. Cooperation: Except as otherwise stated herein, the Parties each agree to cooperate with each other (and their respective counsel) to perform any and all acts required by this Agreement, to execute and deliver any and all further documents that may be reasonably necessary or desirable to effectuate the purposes of this Agreement, and to refrain or forebear from any act that would be inconsistent with the purposes of this Agreement.

5. Advice of Counsel: The Parties acknowledge and declare that they have been fully and completely informed of their rights, and that they have given careful thought and consideration to the making of this Agreement and to all of the obligations hereby assumed and undertaken, and the rights hereby extinguished or created; and that the Parties fully and

completely understand and are cognizant of all the terms and conditions and the effect of each and all the terms and conditions contained in this Agreement.

6. Severability: In the event any portion of this Agreement shall be deemed to be void, avoidable, or unenforceable, the remaining provisions shall remain in full force and effect.

7. The Governing Law: This Agreement is intended to and shall be governed by the laws of the State of California.

8. Entire Agreement: This Agreement is an integrated agreement and contains the entire agreement of the Parties relating to its subject matter. No representations, warranties or promises have been made or relied on by any party hereto other than as set forth herein. This Agreement supersedes and controls any and all prior communications, negotiations and understandings between and among the settling parties and/or their representatives with regard to the subject matter of the Agreement, and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties intend this Agreement to constitute the complete statement of the terms as between and among the Parties hereto, and that no extrinsic evidence whatsoever relating to this Agreement may be introduced in any judicial proceeding between the Parties.

9. Signatory Warranty: Any individual signing this Agreement on behalf of any other individual, public entity, corporation or partnership represents or warrants that he has full authority to do so.

10. Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. A copy of this Agreement shall be admissible into evidence to the same extent that the original would be so admissible.

11. Joint Preparation: It is agreed that this Agreement has been jointly prepared by the Parties. Therefore, the authorship hereof shall not affect the construction hereof and shall not be construed for or against any party.

12. Modification/Amendment: This Agreement cannot be modified, changed, amended, or terminated orally. Any modification, change, amendment or termination must be in writing and signed by the authorized representatives of the Parties.

13. Final/Binding: The Parties intend for this Agreement to be final and binding, and want the Court to retain jurisdiction under CCP 664.6 to enforce the Agreement. It is agreed this Agreement may be introduced into evidence in court for enforcement purposes.

14. Attorneys' Fees and Costs: In the event any action shall be required to enforce the terms of this Agreement, the prevailing party in such action shall be awarded its fees and costs, including, but not limited to, reasonable attorneys' fees and costs.

15. Department Approval: This Agreement is contingent upon approval by the State of California Department of Finance.

16. Oversight Board Approved: On January 13, 2025, this Agreement was approved by the Oversight Board for the Successor Agency.

17. Successor Agency Approved: On December 2, 2024, this Agreement was approved by the Successor Agency.

THE UNDERSIGNED HAVE READ THE FOREGOING SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF ALL CLAIMS AND FULLY UNDERSTAND IT.

Robert E. Cain

DATED: April _____, 2025

By: _____

Bob Cain

DATED: April _____, 2025

By: _____

Todd Renz

DATED: April _____, 2024

By: _____

John H. Sicley Sr.

DATED: April _____, 2025

By: _____

City of Hollister

DATED: April _____, 2025

By: _____

Its: _____

Successor Agency of the former Redevelopment
Agency of the City of Hollister

DATED: April _____, 2025

By: _____

Its: _____

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