

Orange Countywide Oversight Board

Date: 1/22/2019

Agenda Item No. 5C

From: Successor Agency to the Cypress Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2019-20 ROPS and Administrative Budget for the Cypress Successor Agency

The Cypress Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2019-20.

Enforceable obligations total \$1,955,308 and consist exclusively of principal and interest payments for the Restated and Re-Entered Repayment Agreement (Agreement) originally approved by the Cypress Successor Agency in May 2012. The Agreement was established to preserve \$23.92 million of loans from the City which were used to finance the activities of the Cypress Redevelopment Agency and were outstanding at the time Redevelopment Agencies were dissolved. These loan proceeds had been used by the Cypress Redevelopment Agency for a variety of projects, including: the renovation of the Community Center, the construction of the City's Senior Center, and the purchase of vacant land for development. The Agreement provided for annual principal payments of \$2 million from the Successor Agency to the City of Cypress, along with interest equal to the State's LAIF rate, until paid off in full in 2025.

The Department of Finance approved the Agreement as an enforceable obligation in 2015. The Agreement was subsequently amended via a settlement agreement between the City of Cypress/Cypress Successor Agency and the State of California which transferred real property to the City in exchange for decreasing the outstanding principal on the Agreement to \$5,882,539 as of February 2, 2017. The final principal payment of \$1,882,539 and interest of \$66,122 is due in FY 2019-20. In addition to the scheduled payments of \$1,948,661 due in FY 2019-20, \$6,647 of FY 2017-18 interest is being requested on ROPS 2019-20. Higher interest rates on LAIF caused actual accrued interest to exceed the ROPS estimates, resulting in the \$6,647 not being funded by Redevelopment Property Tax Trust Fund (RPTTF) in FY 2017-18.

The Administrative Budget for FY 2019-20 totals \$15,100 and consists primarily of estimated personnel costs and legal and audit fees.

Both the ROPS and the Administrative Budget for FY 2019-20 are scheduled to be approved by the Cypress Successor Agency's governing body (City Council) on January 14, 2019.

Impact on Taxing Entities

A total of \$1,970,408 is requested with the FY 2019-20 ROPS, with \$1,961,220 funded by RPTTF and \$9,188 funded with available Successor Agency amounts. The requested amount is consistent with prior year ROPS; therefore, the taxing entities would not be impacted when compared to FY 2018-19.

Attachments

1. Proposed Resolution – Orange Countywide Oversight Board for Cypress Successor Agency FY 2019-20 ROPS
2. ROPS 19-20 for the Cypress Successor Agency

3. FY 2019-20 Administrative Budget for the Cypress Successor Agency
4. Placeholder for Pending Resolution dated January 14, 2019 of the Cypress Successor Agency (City Council) approving ROPS 19-20
5. Settlement Agreement between the City of Cypress/Cypress Successor Agency and the State of California approving the “New Re-Entered Loan Balance” effective February 2, 2017

A RESOLUTION OF THE COUNTYWIDE OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 19-20) FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020 FOR THE SUCCESSOR AGENCY TO THE DISSOLVED CYPRESS REDVELOPMENT AGENCY

WHEREAS, as part of the 2011-2012 State budget bill, the California Legislature enacted and the Governor signed, a budget trailer bill, ABx1 26, requiring that each redevelopment agency be dissolved; and

WHEREAS, an action challenging the constitutionality of ABx1 26 was filed in the California Supreme Court and on December 29, 2011, the Court modified and upheld ABx1 26, thereby causing the dissolution of all redevelopment agencies in the State of California, including the Cypress Redevelopment Agency (“RDA”), as of February 1, 2012; and

WHEREAS, the City of Cypress, pursuant to the terms of ABx1 26, became the successor agency to the dissolved RDA (“Successor Agency”) with the responsibility to wind up the affairs of the dissolved RDA under the terms of ABx1 26; and

WHEREAS, on June 27, 2012, the Legislature enacted and the Governor signed into law, to be effective immediately, Assembly Bill 1484 (“AB 1484”), which amended ABx1 26 and defined the Successor Agency as a separate public entity from the City; and

WHEREAS, on September 22, 2015, the Legislature enacted and the Governor signed into law, to be effective immediately, Senate Bill 107 (“SB 107”), which further amended ABx1 26 and AB 1484; and

WHEREAS, ABx1 26 as amended by AB 1484 and SB 107 is hereinafter referred to as the “Amended Dissolution Act;” and

WHEREAS, effective July 1, 2018 responsibilities of the Oversight Board to the Successor Agency to the dissolved Cypress Redevelopment Agency have transitioned to the Countywide Oversight Board; and

WHEREAS, pursuant to the Amended Dissolution Act, the Countywide Oversight Board is required to review and approve a Recognized Obligation Payment Schedule (ROPS 19-20) prepared by the Cypress Successor Agency covering the fiscal year from July 1, 2019 through June 30, 2020 that lists all enforceable obligations of the dissolved RDA as defined in the Amended Dissolution Act for the period, and for each twelve month period thereafter; and

WHEREAS, at its public meeting of January 14, 2019, the Successor Agency Board reviewed and considered the Recognized Obligation Payment Schedule (ROPS 19-20), attached to this Resolution and Staff Report submitted concurrently with this Resolution; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD as follows:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Countywide Oversight Board hereby approves the Recognized Obligation Payment Schedule (ROPS 19-20) for the period July 1, 2019 through June 30, 2020, as set forth in Exhibit “A” to this Resolution and by this reference incorporated herein.

SECTION 3. The Cypress Successor Agency Board Secretary, or the Successor Agency Executive Director (as the person appointed by action of the Oversight Board at its meeting of March 20, 2012, to be the designated contact person to the Department of Finance), shall transmit the approved Recognized Obligation Payment Schedule to the Department of Finance, State

Controller, and County Auditor-Controller in compliance with the requirements of the Amended Dissolution Act. The staff of the Successor Agency shall take such other and further actions and sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency. The Countywide Oversight Board further authorizes and directs the Executive Director to make any technical modifications to the Recognized Obligation Payment Schedule as may be required by the Department of Finance, and/or State Controller, including any formatting or technical changes required by any of the foregoing bodies. Any such modifications or changes shall not require re-approval by the Countywide Oversight Board.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Countywide Oversight Board hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

SECTION 5. The Clerk of the Orange Countywide Oversight Board shall certify to the adoption of this Resolution.

Recognized Obligation Payment Schedule (ROPS 19-20) - Summary
Filed for the July 1, 2019 through June 30, 2020 Period

Successor Agency: Cypress
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ 9,188	\$ 9,188
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	9,188	9,188
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 14,747	\$ 1,946,473	\$ 1,961,220
F RPTTF	6,647	1,939,473	1,946,120
G Administrative RPTTF	8,100	7,000	15,100
H Current Period Enforceable Obligations (A+E):	\$ 14,747	\$ 1,955,661	\$ 1,970,408

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Name Title
/s/ _____
Signature Date

Cypress Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	19-20A (July - December)					Q	19-20B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20B Total	
								\$ 2,009,408		\$ 1,970,408	\$ 0	\$ 0	\$ 0	\$ 6,647	\$ 8,100	\$ 14,747	\$ 0	\$ 0	\$ 9,188	\$ 1,939,473	\$ 7,000	\$ 1,955,661	
2	Restated and Re-entered	Reentered	5/22/2012	6/30/2025	City of Cypress	Restated and Re-entered Repayment	All	1,987,661	N	\$ 1,948,661						\$ -			9,188	1,939,473	7,000	\$ 1,948,661	
3	Employee Costs	Admin Costs	7/1/2019	6/30/2020	City Employees	Payroll costs for staff engaged in Redevelopment and Successor Agency activities for period July 2018 to June 2019	All	6,000	N	\$ 6,000					3,000	\$ 3,000					3,000	\$ 3,000	
4	Legal Services	Admin Costs	7/1/2019	6/30/2020	Rutan & Tucker/ Aleshire & Wynder/Other	Legal Services for the Successor Agency	All	4,000	N	\$ 4,000					2,000	\$ 2,000					2,000	\$ 2,000	
5	Audit Services	Admin Costs	6/12/2017	6/30/2020	Lance Soll & Lunghard LLP	Final audit work for FYE 6/30/19 for Successor Agency audit and other required audits	All	4,000	N	\$ 4,000					3,000	\$ 3,000					1,000	\$ 1,000	
6	Administrative/ Office Supplies	Admin Costs	7/1/2019	6/30/2020	Various Vendors	Telephone, postage, printing/copying, computer usage and office supplies associated with the RDA and Successor Agency	All	200	N	\$ 200					100	\$ 100					100	\$ 100	
7	Land Lease	Admin Costs	4/1/2001	3/31/2021	OCTA	Lease of Land/ ROW for parking	Lincoln Avenue Project Area	900	N	\$ 900						\$ -					900	\$ 900	
12	Unpaid Interest from FY 2017-18 on the Restated and Re-entered Agreement / Promissory Note	Reentered Agreements	5/22/2012	6/30/2025	City of Cypress	Projected interest rate on the 17-18 ROPS for the outstanding principal on the Agreement was less than actual interest earned on LAIF (which is the basis for annual interest)	All	6,647	N	\$ 6,647				6,647		\$ 6,647							\$ -

Cypress Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2016 through June 30, 2017
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount				210,500	0	Beginning cash is comprised of prior year RPTTF ending cash of \$208,099 (Reported in Column H on ROPS 18-19 and other revenues of \$2,401 (Reported in Column G on ROPS 18-19).	
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller				9,188	5,289,566		
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)					5,192,850		
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				210,500	0	A total of \$210,500 of cash on hand at 7/1/16 was applied against the 18-19 ROPS approved by the DOF on April 11, 2018 and \$210,500 was withheld from the June 2018 ROPS 18-19 payment. This amount is not available to pay for 19-20 ROPS obligations and since it relates to a prior period is classified as "Other Funds".	
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					96,716	
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 9,188	\$ 0		

Cypress Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020

Item #	Notes/Comments
7	The License Agreement for the land lease does not have a contract ending date but based on a 30 days' written notice from OCTA. A projected date of 2021 was put in as the ending date only as a placeholder to allow the ROPS reporting system to validate.
12	The Restated and Re-entered Loan between the City and Successor Agency accrues annual interest based on the rate earned on the State's LAIF investment pool. The rates earned have increased significantly over the last 18 months resulting in a shortfall of \$6,647 in the amount requested with the FY 2017-18 ROPS. Total interest was estimated at \$73,532 (based on an estimated rate of 1.25%) and actual interest was \$80,179 (based on the actual rate of 1.363%).

EXHIBIT A

City of Cypress, As Successor Agency to the Dissolved Cypress Redevelopment Agency
 Proposed Administrative Expenditure Budget
 For the Two Six-Month Periods Ending December 31, 2019 and June 30, 2020

<u>Description (Fund 462-Program 62194)</u>	Six Months Ending <u>12/31/2019</u>	Six Months Ending <u>6/30/2020</u>	Total <u>FY 2019/20</u>
<i>Administrative</i>			
1. Employee Costs			
Full-time Salaries (4001)	1,800	1,800	3,600
Fringe Applied (4006)	1,200	1,200	2,400
Total	3,000	3,000	6,000
2. Legal Services (4189_004)	2,000	2,000	4,000
3. Audit Services (4189_001)	3,000	1,000	4,000
4. Administrative/ Office Supplies Supplies (4103_003)	100	100	200
5. Land Lease (4177)	-	900	900
Total Administrative Expenditures	\$ 8,100	\$ 7,000	\$ 15,100

Orange Countywide Oversight Board
Placeholder for Pending Resolution

Date: 1/22/2019

From: Successor Agency to the Cypress Redevelopment Agency

Subject: Resolution of the Cypress City Council Approving the Recognized Obligation Payment Schedule for the Period of July 1, 2019 through June 30, 2020 (ROPS 19-20)

The resolution of the Cypress City Council approving the Recognized Obligation Payment Schedule for the Period of July 1, 2019 through June 30, 2020 (ROPS 19-20) will be voted upon at their 1/14/2019 meeting. As such, the resolution is not yet available for submission but will be provided before the Countywide Oversight Board votes upon its resolution regarding the ROPS 19-20.

SETTLEMENT AGREEMENT

City of Cypress v. State of California,
Sacramento Superior Court, Case No. 34-2013-80001585

PARTIES

This Settlement Agreement (“**Agreement**”) is entered into by petitioners and plaintiffs the City of Cypress (“**City**”) and the Successor Agency to the Dissolved Cypress Redevelopment Agency (“**Successor Agency**”) (collectively “**Plaintiffs**”) on the one hand, and on the other hand, Respondents and Defendants California Department Of Finance (“**Finance**”), Michael Cohen in his official capacity as the Director of the California Department of Finance, the State Controller’s Office (“**Controller’s Office**”), and John Chiang in his official capacity as Controller for the State of California Defendants (collectively “**Defendants**”). Plaintiffs and Defendants are sometimes collectively referred to as the “**Parties.**”

RECITALS

A. Plaintiffs have filed the following Sacramento Superior Court action, which remains pending, against Respondents: *City of Cypress v. State of California*, case no. 34-2013-80001585 (the “**Action**”).

B. The Action relates to the wind down of the Cypress Redevelopment Agency (“**RDA**”) pursuant to Assembly Bill 26 of the 2011-12 First Extraordinary Session of the California Legislature (“**AB xl 26**”), Assembly Bill 1484 of the 2011-12 Regular Session of the California Legislature (“**AB 1484**”) and Senate Bill 107 of the 2015-16 Regular Session of the California Legislature (“**SB 107**”) (collectively the “**Dissolution Law**”).

C. Under AB xl 26, as interpreted by *Community Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, the RDA was dissolved on February 1, 2012. Plaintiffs allege that following the dissolution of the RDA, but prior to the passage of AB 1484, the City and the Successor Agency re-entered into a loan that had originally been entered into by the City and the RDA on or about July 1, 2009, years prior to the passage of the Dissolution Act. The original loan agreement is referred to herein as the “**2009 Loan.**” A Copy of the 2009 Loan is attached and incorporated herein by reference as **Exhibit A.** The original amount owing under the 2009 Loan agreement was \$42,500,000.

D. On or about June 30, 2011, the RDA made a \$1,196,000 interest payment on the 2009 Loan to the City (“**Interest Payment**”).

E. On March 18, 2011, the RDA purported to sell 13.329 acres of land (the “**Land**”) to City for \$18,580,000. The City purported to pay the purchase price for the Land by reducing the balance on the 2009 Loan from \$42,500,000 to \$23,920,000.

F. On May 22, 2012, City and Successor Agency allegedly re-entered the 2009 Loan (“**Re-Entered Loan**”). Per the terms of the Re-Entered Loan, the balance due on the Re-Entered

Loan was \$25,116,000 with simple interest accruing at an amount equal to the amount earned on the State's Local Agency Investment Fund ("LAIF") per annum.

G. Plaintiffs allege that the Re-Entered Loan was approved by the Oversight Board to the Successor Agency. A copy of the Re-Entered Loan agreement is attached and incorporated herein by reference as Exhibit B.

H. The Successor Agency requested authorization on each of its Recognized Obligation Payment Schedules ("ROPS") to make payment on the \$25,116,000 Re-Entered Loan amount beginning with the January to June 2012 period.

I. Finance disallowed the Successor Agency's ROPS requests to make payment on the \$25,116,000 Re-Entered Loan amount until the January 1, 2016 to June 30, 2016 period ("**ROPS 15-16 B period**") at which time Finance allowed and approved the Re-Entered Loan and payments thereon. For purposes of reference, the Re-Entered Loan agreement was identified in the ROPS 15-16B as line item 2. During the ROPS 15-16 period, the Successor Agency did not receive sufficient money from the Redevelopment Property Tax Trust Fund ("RPTTF") to pay the full amount approved by Finance for the Re-Entered Loan. For the period covering July 1, 2016 to June 30, 2017 ("**ROPS 16-17 period**"), Cypress added ROPS line item 11 to request funds from the RPTTF for the ROPS 16-17 period to pay for the amount approved on the Re-Entered Loan during the ROPS 15-16 period that the Successor Agency was unable to pay ("**Shortfall Payment**").

J. As of July 1, 2016, the Re-Entered Loan has a current outstanding balance of \$20,882,539 ("**Re-Entered Loan Balance**").

K. On May 5, 2013, through the Other Funds and Accounts Due Diligence Review Process ("**OFA DDR**") Finance disallowed (i) the March 18, 2011 transfer of the Land from the RDA to the City, and (ii) the Interest Payment.

L. On or about January 13, 2014, the Successor Agency remitted the Interest Payment that was disallowed by Finance through the OFA DDR to the Orange County Auditor-Controller for allocation to the affected taxing entities.

M. On or about February 23, 2015, as part of the wind down of redevelopment agencies pursuant to Dissolution Law, the Controller's Office completed an audit of asset transfers from the RDA to other public entities during the period January 1, 2011 through January 31, 2012. The Controller's Office concluded that the Land had been wrongfully transferred from the Successor Agency to the City during that period, and ordered that the transfer be reversed. The Land is described in detail in the quitclaim attached hereto as Exhibit C and incorporated herein by reference. In addition, the Controller's Office concluded \$170,536 had been wrongfully transferred from the Successor Agency to the City as payment on the 2009 Loan and ordered that the transfer be reversed. To date, the City has not completed the transfer of the Land to the Successor Agency, as ordered by the Controller's Office.

N. Plaintiffs have commissioned and completed two studies to value the Land. The first study, completed on March 11, 2011, determined the fair market value of the property to be

\$18,580,000. The second study, completed on November 17, 2015, determined that the total fair market value of the property is \$12,500,000.

O. Without admission of fault or wrongdoing, the Parties have agreed to completely resolve any and all disputes between the Parties pertaining to, or in any way relating to, the Action by entering into this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Principal Terms. The Parties agree to the following resolution of the litigation:

(a) Defendants shall not take any action to enforce the Controller's Office order that City transfer the Land back to the Successor Agency, and shall allow the retention of the Land by the City. Additionally, Defendants shall treat remittance of the Interest Payment described in Recitals K and L of this Agreement as compliance with the order by the Controller's Office to reverse the \$170,536 transfer described in Recital M of this Agreement.

(b) Between July 1, 2016 and the effective date of this Agreement the Re-Entered Loan Balance will accrue simple interest at the LAIF rate.

(c) On the effective date of this Agreement the Re-Entered Loan Balance shall be reduced by \$15,000,000. As a result of the reduction, the outstanding principal balance on the Re-Entered Loan will be \$5,882,539 ("**New Re-Entered Loan Balance**"). Per the terms of the Re-Entered Loan, the New Re-Entered Loan Balance will accrue simple interest at the LAIF rate per annum. Plaintiffs shall only request authorization to pay the **New Re-Entered Loan Balance**, and the interest specified in this paragraph and in paragraph 1(b), on the Successor Agency's ROPS.

(d) Both the City and Successor Agency waive and release any rights and claims they may have to pay and/or to receive payment for the 2009 Loan and the Re-Entered Loan, except as provided in paragraphs 1(b) and 1(c). This waiver also relates to any ROPS line item related to the payment or receipt of payment for the 2009 Loan and the Re-Entered Loan, including ROPS line item 11 for the 2016-2017 period regarding the Shortfall Payment on the Re-Entered Loan, except as provided in paragraphs 1(b) and 1(c).

(e) Within seven (7) days of the effective date of this Agreement, Plaintiffs shall dismiss the Action with prejudice.

2. Claims Disputed. This Agreement does not constitute, nor shall it be construed as, an admission or concession by any of the Parties for any purpose. This Agreement is a compromise settlement of the Action, and by executing this Agreement, none of the Parties admits wrongdoing, liability, or fault in connection with either the Action or the allegations asserted in the Action.

3. Mutual Release. The Parties specifically and mutually release and discharge each other, including their respective officers, directors, commission members, trustees, agents,

employees, representatives, attorneys, insurers, departments, divisions, sections, successors and assigns, from all obligations, damages, costs, expenses, liens, attorney fees of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, disputed or undisputed, pertaining to the Action.

4. Successors and Assigns. This Agreement shall be binding upon the Parties' respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, departments, divisions, sections, successors and assigns.

5. Assumption of Risk. The Parties each represent that they fully understand that if the facts pertaining in any way to the Action are later found to be different from the facts now believed to be true by any Party, each of them expressly accepts and assumes the risk of such possible differences in facts and agrees that this Agreement shall remain effective notwithstanding such differences in facts. The Parties also each represent that this Agreement was entered into under the laws current as of the effective date, and agree that this Agreement shall remain effective notwithstanding any future changes in the law.

6. Independent Advice of Counsel. The Parties each represent that they know and understand the contents of the Agreement and that this Agreement has been executed voluntarily. The Parties each further represent that they have had an opportunity to consult with an attorney of their choosing and that they have been fully advised by the attorney with respect to their rights and obligations and with respect to the execution of this Agreement.

7. Entire Agreement. No promise, inducement, understanding, or agreement not expressed has been made by or on behalf of the Parties, and this Agreement contains the entire agreement between the Parties related to the Action.

8. Indemnity. Each Party represents that it has not assigned, transferred, or purported to assign or transfer to any person or entity any matter released herein. The Plaintiffs in the Action also agree to indemnify and hold harmless the Defendants in the Action and their successors and assigns against any claims, demands, causes of action, damages, debts, liabilities, costs or expenses, including, but not necessarily limited to, attorney fees, arising out of or in connection with the Action.

9. Amendments in Writing. This Agreement may not be altered, amended, modified, or otherwise changed in any respect except by a writing duly executed by the Parties. The Parties agree that they will make no claim at any time or place that this Agreement has been orally altered or modified or otherwise changed by oral communication of any kind or character.

10. Construction. The Parties agree that this Agreement is to be construed and interpreted without regard to the identity of the party drafting this Agreement.

11. Additional Acts. The Parties agree to take such actions and to execute such documents as are necessary to carry out the terms and purposes of this Agreement.

12. Attorneys' Fees. The Parties shall each bear their respective attorney fees and costs incurred in the litigation.

13. Enforcement. If any Party to this Agreement files a lawsuit to enforce or interpret this Agreement, the prevailing Party in any such suit shall be entitled to reimbursement for reasonable attorney fees and costs.

14. Choice of Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California. If any Party to this Agreement brings a lawsuit to enforce or interpret this Agreement, the lawsuit shall be filed in the Superior Court for the County of Sacramento, California.

15. Counterparts. This Agreement may be executed by facsimile and in counterparts, each of which is deemed an original and all of which shall constitute this Agreement.

16. Effective Date. The date on which the last counterpart of this Agreement is executed shall be the effective date of this Agreement.

17. Authority to Execute. Each Party represents that they have the authority to enter into and perform the obligations necessary to provide the consideration described in this Agreement. Each person signing this Agreement represents and warrants that they have the authority to sign on behalf of the Party for which they sign.

This Agreement consists of Recital Paragraphs A - O, Agreement Paragraphs 1 - 17, and Exhibits A-C.

[SIGNATURES ON NEXT PAGE]

Dated: 1-31-17

CITY OF CYPRESS

By: *Paul J. General*
Its: Mayor

Dated: 1-31-17

SUCCESSOR AGENCY TO THE DISSOLVED
CYPRESS REDEVELOPMENT AGENCY

By: *Paul J. General*
Its: Director

ATTEST:

Denise Basham
City Clerk of the City of Cypress

Dated: _____

CALIFORNIA DEPARTMENT OF FINANCE
and Michael Cohen in his official capacity as its
Director

By: _____
Its: Kari Krogseng
Chief Counsel

Dated: _____

CALIFORNIA STATE CONTROLLER'S
OFFICE and Betty Yee in her official capacity as
Controller

By: _____
Its: Chief Counsel

Approved as to Form:

Dated: _____

RUTAN & TUCKER, LLP

Jeffrey T. Melching
Attorneys for City of Cypress and Successor
Agency to the Dissolved Cypress Redevelopment
Agency

Dated: _____

CALIFORNIA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

Deputy Attorney General
Attorneys for Defendants

EXHIBIT A

2009 LOAN

EXHIBIT "A"

REPAYMENT AGREEMENT

This Repayment Agreement is entered into as of the 23rd day of March 2008, by and between the Cypress Redevelopment Agency, a public body corporate and politic (the "Agency") and the City of Cypress, a public body corporate and politic (the "City").

RECITALS

- A. Whereas, the City and Agency would like to consolidate all outstanding notes between the Agency and City to a single note as of July 1, 2008, and
- B. Sufficient cash flows will not be available to pay off the outstanding notes as of July 1, 2009, and
- C. All accrued interest associated with the seven notes currently outstanding will be paid by the Agency to the City on June 30, 2009, and
- D. Whereas, the City and Agency would like to formally reissue \$42.5 million (\$42,500,000) in notes on July 1, 2009 and establish an applicable interest rate of five percent (5%), and
- E. The \$42.5 million (\$42,500,000) in notes are associated with the Agency's three project areas as follows:

Civic Center	\$ 7,000,000
Lincoln Avenue	\$ 3,000,000
Los Alamitos Race Track	\$ 32,500,000

NOW, THEREFORE, in consideration of the foregoing mutual covenants and conditions set forth herein, the parties hereto agree as follows:

Section 1. The Agency hereby agrees to pay the City as full consideration for the loan referred to in the recitals hereinabove, the total sum of Forty Two Million and Five Hundred Thousand Dollars (\$42,500,000) with interest thereon calculated at a rate of five percent (5.0%) per annum. The Agency's obligations hereunder shall be evidenced by a Promissory Note substantially in the form attached hereto and incorporated herein by reference (the "Purchase Money Promissory Note").

Payment of all accrued interest with respect to the Purchase Money Promissory Note shall be due annually on June 30th starting on June 30, 2010. Payment of the outstanding principal with respect to the Purchase Money Promissory Note shall be due on June 30, 2012 unless extended by mutual agreement of the parties hereto. However, a portion of the outstanding principal will be due at the time the approximately 13 acres of land currently owned by the Agency has been resold and if the Agency has sufficient monies to repay the City or at any other time during the term of the Purchase Money Promissory Note that sufficient monies become available based on staff's recommendations.

The Agency shall execute and deliver the Purchase Money Promissory Note as of the date of the execution of this Agreement.

Section 2. The Agency's obligation to make payments to the City pursuant to the Purchase Money Promissory Note shall be payable solely from (a) property taxes allocated to the Agency from the Project Area in accordance with Health and Safety Codes Section 33670 (b) ("Tax Increment") but only if and to the extent Tax Increment is received, or (b) funds that the Agency receives from the sale of property located in any of the three project areas and determines in its sole discretion to use to repay said amounts. In the event that there are insufficient funds from the sources identified herein to make the required payments with respect to the Purchase Money Promissory Note in the year in which such payments are to be made, the City shall reasonably consider (but shall not be obligated to) extend the time for payment by adding such amounts to the principal balance evidenced by the Purchase Money Promissory Note and interest at the rate set forth in the Purchase Money Promissory Note.

Section 3. The parties hereto acknowledge and agree that the Agency's obligation to pay the amounts evidenced by the Purchase Money Promissory Note shall be automatically subordinated to any other obligation of the Agency secured by Tax Increment or for which Tax Increment is otherwise pledged in connection with the issuance of bonds or certificates of participation as part of the implementation of the Redevelopment Plan for the Project Areas.

Section 4. The Agency shall have the right at any time, from time to time, upon at least ten (10) days written notice to the City, to prepay without premium or penalty, the outstanding balance of the Purchase Money Promissory Note, or any portion thereof, with interest payable through the date of such prepayment.

Section 5. This Agreement embodies the entire Agreement understanding between the parties hereto with respect to the matters set forth herein and supersedes all prior agreements and understandings related to the subject matter hereof.

Section 6. This Agreement shall terminate when all obligations of the Agency as evidenced by the Purchase Money Promissory Note shall have been discharged in full.

Section 7. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 8. No member, officer, agent or employee of the Agency shall be individually or personally liable for the payment of, the principal of or interest on the Purchase Money Promissory Note.

Section 9. The parties hereto acknowledge and agree that the obligations of the Agency evidenced by the Purchase Money Promissory Note constitute an "indebtedness" within the meaning of Health and Safety Code Section 33670 (b).

IN WITNESS WHEREOF, the parties have executed this Repayment Agreement as of the date first above written.

CITY OF CYPRESS

By 
City Mayor

ATTEST:


City Clerk

CYPRESS REDEVELOPMENT AGENCY

By 
Chairman of the Agency Board

ATTEST


Executive Director

PURCHASE MONEY PROMISSORY NOTE (RDA 1)

\$42,500,000

**Cypress, CA
July 1, 2008**

The Cypress Redevelopment Agency, a public body corporate and politic (the "Agency"), for value received, hereby promises to pay to the City of Cypress, public body corporate and politic (the "City"), the principal sum of Forty Two Million and Five Hundred Thousand (\$42,500,000), in lawful money of the United States of America together with interest thereon on the unpaid balance thereof from the date hereof at a rate equal to five percent (5.0%) per annum. With respect to this Purchase Money Promissory Note, the Agency shall pay all interest annually on June 30th and the principal on or before June 30, 2012. Interest shall be computed upon the basis of a three hundred sixty (360) day year and a thirty (30) day month.

This Note is the Purchase Money Promissory Note referred to in the Repayment Agreement dated as of July 1, 2008, between the City and the Agency and is entitled to all the benefits and is subject to all the limitations provided for therein. Reference is made to said Agreement for, *inter alia*, the rights of prepayment and the sources of payment of the principal of and interest on this Purchase Money Promissory Note.

CYPRESS REDEVELOPMENT AGENCY

By 
Chairman of the Agency Board

ATTEST:

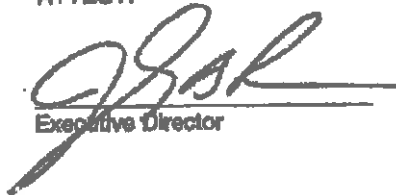

Executive Director

EXHIBIT B

RE-ENTERED LOAN

**RESTATED AND RE-ENTERED
REPAYMENT AGREEMENT**

This RESTATED AND RE-ENTERED REPAYMENT AGREEMENT ("Restated Agreement") is entered into this 22nd day of May, 2012, by and between the CITY OF CYPRESS, a charter city of the State of California and municipal corporation, existing and operating under the Constitution of the State of California ("City"), and the CITY OF CYPRESS in its capacity as the Successor Agency ("Successor Agency") to the dissolved Cypress Redevelopment Agency ("RDA"), and has been approved by the Oversight Board to the Successor Agency to the dissolved RDA ("Oversight Board") by adoption of Oversight Board Resolution No. OB 4.

RECITALS

A. City is a California charter city and municipal corporation operating under the Constitution of the State of California.

B. RDA was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* ("CRL").

C. RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the RDA's Redevelopment Project Areas.

D. Under the CRL, the City had the express authority to provide RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*).

E. Pursuant to the authority granted under the CRL, the City and RDA entered into that certain Repayment Agreement, dated March 23, 2009, a copy of which is attached to this Restated Agreement as Exhibit "A" and incorporated herein by this reference ("Repayment Agreement").

F. On or about January 10, 2011, the Governor of California first proposed as part of his 2011-12 budget proposal the dissolution of redevelopment agencies.

G. Pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature ("ABx1 26"), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012.

H. Pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code.

I. Pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board of the Successor Agency to the former RDA have been duly appointed.

J. Pursuant to Health and Safety Code Section 34178(a), added by ABx1 26, commencing on February 1, 2012, agreements between the city, county, or city and county that created the redevelopment agency and the redevelopment agency were deemed to be not binding on the successor agency; provided, however, that under Health and Safety Code Sections 34178(a) and 34180(h), the Oversight Board has the authority to approve, at the request of the Successor Agency, the entering or re-entering into agreements with the city, county, or city and county that formed the former redevelopment agency.

K. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the City, in its capacity as a municipal corporation and its capacity as the Successor Agency, seeks to restate and re-enter into the Repayment Agreement, as set forth in this Restated Agreement.

L. Because sufficient cash flows of former property tax increment (now defined by AB1x 26 as property taxes) even if the Repayment Agreement were not rejected as an enforceable obligation by DOF, would not be available to pay off the debt evidenced by the Repayment Agreement when such debt is scheduled to mature on June 30, 2012, the Restated Agreement restates the outstanding principal balance [with interest accruing at the rate of return on investments in the Local Agency Investment Fund ("LAIF")] and a repayment schedule calling for an annual repayment of two million dollar (\$2,000,000) plus applicable interest and continuing until June 30, 2024, and a final principal repayment of one million one hundred sixteen thousand dollars (\$1,116,000) plus applicable interest on June 30, 2025.

M. At its meeting of May 15, 2012, the Oversight Board adopted Resolution No. OB 4 approving the re-entering into the Repayment Agreement and the terms of this Restated Agreement.

AGREEMENT

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Successor Agency agree as follows:

1. Restatement and Re-Entry Into Agreement. Subject to the terms and conditions in this Restated Agreement, City, in its capacity as a municipal corporation and as the Successor Agency, hereby restates and re-enters into the Repayment Agreement with the re-entered terms set forth in the Restated and Re-Entered Repayment Note attached hereto as Exhibit B and by this reference incorporated herein. Except as modified by this Restated Agreement, the terms and conditions of the Repayment Agreement shall remain in full force and effect.

2. Reservation of Rights. The City, in its capacity as a municipal corporation and as the Successor Agency, hereby reserves any and all rights, and does not waive any rights which it may now or in the future have, for repayment under the Repayment Agreement, including but not limited to the right to receive repayment under the existing Repayment Agreement as may be authorized pursuant to any current or future law, amendment to ABx1 26, administrative or judicial decision, or otherwise.

3. Effective Date. This Restated Agreement shall be effective only upon the approval of the Oversight Board. If the City, in its capacity as a municipal corporation and as the Successor Agency, has not approved this Restated Agreement prior to the approval of the Oversight Board, then the City may approve this Restated Agreement by ratification thereof at a duly noticed public meeting of the City Council.

4. City Manager Authorization. The City Manager shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Restated Agreement on behalf of the City, in its capacity as a charter city of the State of California and a municipal corporation, and on behalf of the City in its capacity as the Successor Agency.

IN WITNESS WHEREOF, the City, in its capacity as a charter city of the State of California and a municipal corporation, and the City in its capacity as the Successor Agency, enters into this Restated Agreement as of the date first set forth above.

"City"

CITY OF CYPRESS, in its capacity as charter city of the State of California and a municipal corporation

By: 
Mayor, City of Cypress

ATTEST:

Denise Basham
City Clerk

"Successor Agency"

CITY OF CYPRESS, in its capacity as the Successor Agency to the dissolved CYPRESS REDEVELOPMENT AGENCY

By: 
Mayor, City of Cypress

ATTEST:

Denise Basham
Secretary of the Successor Agency

EXHIBIT "A"

REPAYMENT AGREEMENT

This Repayment Agreement is entered into as of the 23rd day of March 2009, by and between the Cypress Redevelopment Agency, a public body corporate and politic (the "Agency") and the City of Cypress, a public body corporate and politic (the "City").

RECITALS

- A. Whereas, the City and Agency would like to consolidate all outstanding notes between the Agency and City to a single note as of July 1, 2009, and
- B. Sufficient cash flows will not be available to pay off the outstanding notes as of July 1, 2009, and
- C. All accrued interest associated with the seven notes currently outstanding will be paid by the Agency to the City on June 30, 2009, and
- D. Whereas, the City and Agency would like to formally reissue \$42.5 million (\$42,500,000) in notes on July 1, 2009 and establish an applicable interest rate of five percent (5%), and
- E. The \$42.5 million (\$42,500,000) in notes are associated with the Agency's three project areas as follows:

Civic Center	\$ 7,000,000
Lincoln Avenue	\$ 3,000,000
Los Alamitos Race Track	\$ 32,500,000

NOW, THEREFORE, in consideration of the foregoing mutual covenants and conditions set forth herein, the parties hereto agree as follows:

Section 1. The Agency hereby agrees to pay the City as full consideration for the loan referred to in the recitals hereinabove, the total sum of Forty Two Million and Five Hundred Thousand Dollars (\$42,500,000) with interest thereon calculated at a rate of five percent (5.0%) per annum. The Agency's obligations hereunder shall be evidenced by a Promissory Note substantially in the form attached hereto and incorporated herein by reference (the "Purchase Money Promissory Note").

Payment of all accrued interest with respect to the Purchase Money Promissory Note shall be due annually on June 30th starting on June 30, 2010. Payment of the outstanding principal with respect to the Purchase Money Promissory Note shall be due on June 30, 2012 unless extended by mutual agreement of the parties hereto. However, a portion of the outstanding principal will be due at the time the approximately 13 acres of land currently owned by the Agency has been resold and if the Agency has sufficient monies to repay the City or at any other time during the term of the Purchase Money Promissory Note that sufficient monies become available based on staff's recommendations.

The Agency shall execute and deliver the Purchase Money Promissory Note as of the date of the execution of this Agreement.

Section 2. The Agency's obligation to make payments to the City pursuant to the Purchase Money Promissory Note shall be payable solely from (a) property taxes allocated to the Agency from the Project Area in accordance with Health and Safety Codes Section 33670 (b) ("Tax Increment") but only if and to the extent Tax Increment is received, or (b) funds that the Agency receives from the sale of property located in any of the three project areas and determines in its sole discretion to use to repay said amounts. In the event that there are insufficient funds from the sources identified herein to make the required payments with respect to the Purchase Money Promissory Note in the year in which such payments are to be made, the City shall reasonably consider (but shall not be obligated to) extend the time for payment by adding such amounts to the principal balance evidenced by the Purchase Money Promissory Note and interest at the rate set forth in the Purchase Money Promissory Note.

Section 3. The parties hereto acknowledge and agree that the Agency's obligation to pay the amounts evidenced by the Purchase Money Promissory Note shall be automatically subordinated to any other obligation of the Agency secured by Tax Increment or for which Tax Increment is otherwise pledged in connection with the issuance of bonds or certificates of participation as part of the implementation of the Redevelopment Plan for the Project Areas.

Section 4. The Agency shall have the right at any time, from time to time, upon at least ten (10) days written notice to the City, to prepay without premium or penalty, the outstanding balance of the Purchase Money Promissory Note, or any portion thereof, with interest payable through the date of such prepayment.

Section 5. This Agreement embodies the entire Agreement understanding between the parties hereto with respect to the matters set forth herein and supersedes all prior agreements and understandings related to the subject matter hereof.

Section 6. This Agreement shall terminate when all obligations of the Agency as evidenced by the Purchase Money Promissory Note shall have been discharged in full.

Section 7. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 8. No member, officer, agent or employee of the Agency shall be individually or personally liable for the payment of, the principal of or interest on the Purchase Money Promissory Note.

Section 9. The parties hereto acknowledge and agree that the obligations of the Agency evidenced by the Purchase Money Promissory Note constitute an "indebtedness" within the meaning of Health and Safety Code Section 33670 (b).

IN WITNESS WHEREOF, the parties have executed this Repayment Agreement as of the date first above written.

CITY OF CYPRESS

By 
City Mayor

ATTEST:


City Clerk

CYPRESS REDEVELOPMENT AGENCY

By 
Chairman of the Agency Board

ATTEST


Executive Director

PURCHASE MONEY PROMISSORY NOTE (RDA 1)

\$42,500,000

**Cypress, CA
July 1, 2008**


The Cypress Redevelopment Agency, a public body corporate and politic (the "Agency"), for value received, hereby promises to pay to the City of Cypress, public body corporate and politic (the "City"), the principal sum of Forty Two Million and Five Hundred Thousand (\$42,500,000), in lawful money of the United States of America together with interest thereon on the unpaid balance thereof from the date hereof at a rate equal to five percent (5.0%) per annum. With respect to this Purchase Money Promissory Note, the Agency shall pay all interest annually on June 30th and the principal on or before June 30, 2012. Interest shall be computed upon the basis of a three hundred sixty (360) day year and a thirty (30) day month.

This Note is the Purchase Money Promissory Note referred to in the Repayment Agreement dated as of July 1, 2008, between the City and the Agency and is entitled to all the benefits and is subject to all the limitations provided for therein. Reference is made to said Agreement for, *inter alia*, the rights of prepayment and the sources of payment of the principal of and interest on this Purchase Money Promissory Note.

CYPRESS REDEVELOPMENT AGENCY

By 
Chairman of the Agency Board

ATTEST:


Executive Director

RESTATED AND RE-ENTERED REPAYMENT NOTE

\$23,920,000 plus accrued interest

Cypress, CA
May 22, 2012

The Successor Agency of the Cypress Redevelopment Agency, a public body corporate and politic (the "Successor Agency"), for value received, hereby promises to pay to the City of Cypress, public body corporate and politic (the "City"), the principal sum of Twenty Three Million Nine Hundred Twenty Thousand Dollars (\$23,920,000.00) plus accrued interest through June 30, 2012 of One Million One Hundred Ninety-Six Thousand Dollars (\$1,196,000), in lawful money of the United States of America together with interest thereon on the unpaid balance thereof commencing July 1, 2012, at a rate equal to amount earned on the State's Local Agency Investment Fund (LAIF) per annum. With respect to this Restated and Re-Entered Repayment Note, the Successor Agency shall pay Two Million Dollars (\$2,000,000) of principal (which includes the accrued interest as of June 30, 2012 amortized over the term of this Note), plus interest thereon at the LAIF rate, annually on June 30th for the period June 30, 2013 through June 30, 2024. The remaining One Million One Hundred Sixteen Thousand (\$1,116,000) of principal and interest will be paid on June 30, 2025. Interest shall be computed upon the basis of a three hundred sixty (360) day year and a thirty (30) day month.

This Note is the Restated and Re-Entered Repayment Note referred to in the Repayment Agreement dated as of May 22, 2012, between the City and the Successor Agency and is entitled to all the benefits and is subject to all the limitations provided for therein. Reference is made to said Agreement for, *inter alia*, the rights of prepayment and the sources of payment of the principal of and interest on this Restated and Re-Entered Repayment Note. The Successor Agency shall not be liable for any payment hereunder except from property taxes disbursed to the Successor Agency by the County Auditor-Controller as a result of the indebtedness evidenced by this Note having been approved or deemed approved as an "enforceable obligation" as set forth in Health & Safety Code Section 34177 and other applicable provision of law, including Part 1.85 of the Community Redevelopment Law.

CITY OF CYPRESS AS SUCCESSOR AGENCY
TO THE DISSOLVED CYPRESS
REDEVELOPMENT AGENCY

By 
Mayor, City of Cypress As Successor Agency to
the Dissolved Cypress Redevelopment Agency

EXHIBIT C

**LAND
DESCRIPTION**

When Recorded Mail To:

City of Cypress
5275 Orange Avenue
Cypress, California 90630
Attn: City Clerk

(Space Above For Recorder's Use)

The undersigned grantor(s) declare(s) that this transaction is exempt from the payment of a documentary transfer tax pursuant to Revenue and Taxation Code Section 11922.

This document is being recorded for the benefit of the City of Cypress and is exempt from payment of a recordation fee pursuant to Government Code §§27383 and 6103.

APNs:

241-091-22
241-091-23
241-091-24
241-091-25
241-091-26

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CYPRESS REDEVELOPMENT AGENCY, a public body, corporate and politic ("Grantor"), Does hereby remise, release and forever quitclaim to the CITY OF CYPRESS, a charter city and municipal corporation ("Grantee"), all of Grantor's right, title and interest in and to certain real property described located in the City of Cypress, County of Orange, State of California, described in the legal description attached hereto as Exhibit "1" and incorporated herein by this reference (the "Property").

Grantor's conveyance of the Property is further subject to the following covenants and restrictions as required by the Community Redevelopment Law, Health and Safety Code section 33000 *et seq.* (the "CRL"):

1. In addition to any other nondiscrimination provisions applicable to the Property under federal, state or local law, the following nondiscrimination provisions apply:

(a) There shall be no discrimination against, or segregation of, any persons, or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, or rental, or in the use, occupancy, or enjoyment of the Property, nor shall Grantee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. The foregoing covenants shall run with the Property and shall remain in effect in perpetuity.

(b) Notwithstanding subsection (a) above, with respect to familial status, subsection (a) above shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subsection (a) above shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code, shall apply to subsection (a) above.

2. All deeds, leases or contracts for the sale or leasing of the Property or any interest therein shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

2.1 In deeds. In deeds, language shall appear in substantially the following form:

(a) "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) "Notwithstanding subsection (a) above, with respect to familial status, subsection (a) above shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subsection (a) above shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code, shall apply to subsection (a) above."

2.2 In leases. In leases, language shall appear in substantially the following form:

(a) "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection,

location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.”

(b) “Notwithstanding subsection (a) above, with respect to familial status, subsection (a) above shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subsection (a) above shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code, shall apply to subsection (a) above.”

2.3 In contracts pertaining to the sale, transfer or leasing of the land or any interest therein, language shall appear in substantially the following form:

(a) “There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land. The foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the contract.”

(b) “Notwithstanding subsection (a) above, with respect to familial status, subsection (a) above shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subsection (a) above shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code, shall apply to subsection (a) above.”

3. The covenants and restrictions in this Quitclaim Deed shall bind Grantee and its successor in interest to the Property or any portion thereof.

[END—SIGNATURES ON NEXT PAGE]

"GRANTOR"

CYPRESS REDEVELOPMENT AGENCY, a public body, corporate and politic

By: [Signature]

Its: EXECUTIVE DIRECTOR

ATTEST:

[Signature]
Agency Secretary

APPROVED AS TO FORM
RUTAN & TUCKER, LLP

[Signature]
Agency Counsel

"GRANTEE"

CITY OF CYPRESS, a charter city and municipal corporation

By: [Signature]

Its: CITY MANAGER

ATTEST:

[Signature]
Agency Secretary

APPROVED AS TO FORM
ALESHIRE & WYNDER, LLP

[Signature]
City Attorney

[END OF SIGNATURES]

State of California)
County of Orange)

On March 8, 2011, before me, Denise Basham, Notary Public,
(here insert name and title of the officer)

personally appeared John B. Bahorski,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument, and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Denise Basham



State of California)
County of Orange)

On _____, before me, _____, Notary Public,
(here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument, and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT "1"

TO QUITCLAIM DEED

LEGAL DESCRIPTION

That certain real property located in the City of Cypress, County of Orange, State of California legally described as follows:

PARCEL A:

PARCEL 7 OF PARCEL MAP 96-121, IN THE CITY OF CYPRESS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 298, PAGE(S) 13 TO 16 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

PARCEL B:

APPURTENANT EASEMENTS TO USE, MAINTAIN, OPERATE, ALTER, REPAIR, REPLACE, RECONSTRUCT AND INSPECT THE UTILITIES, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN RECIPROCAL UTILITIES EASEMENT AGREEMENT RECORDED JULY 31, 1991, AS INSTRUMENT NO. 91-404179, OF OFFICIAL RECORDS.

PARCEL C:

AN APPURTENANT EASEMENT FOR STORM DRAINAGE, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN GRANT OF DRAINAGE EASEMENT RECORDED SEPTEMBER 11, 1990, AS INSTRUMENT NO. 90-482118. AS AMENDED BY THAT CERTAIN AMENDMENT TO DRAINAGE EASEMENT RECORDED JANUARY 18, 1991, AS INSTRUMENT NO. 91-026004, AND ALSO AS AMENDED BY THAT CERTAIN GRANT OF EASEMENTS AND AGREEMENT REGARDING DRAINAGE EASEMENT RECORDED JUNE 3, 1997, AS INSTRUMENT NO. 19970253674, ALL OF OFFICIAL RECORDS.

PARCEL D:

PARCEL 8 OF PARCEL MAP NO. 96-121, IN THE CITY OF CYPRESS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 298, PAGE(S) 13 TO 16 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

PARCEL E:

APPURTENANT EASEMENTS TO USE, MAINTAIN, OPERATE, ALTER, REPAIR, REPLACE, RECONSTRUCT AND INSPECT THE UTILITIES, AS SAID EASEMENT IS

SET FORTH IN THAT CERTAIN RECIPROCAL UTILITIES EASEMENT AGREEMENT RECORDED JULY 31, 1991, AS INSTRUMENT NO. 91-404179, OF OFFICIAL RECORDS.

PARCEL F:

AN APPURTENANT EASEMENT FOR STORM DRAINAGE, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN GRANT OF DRAINAGE EASEMENT RECORDED SEPTEMBER 11, 1990, AS INSTRUMENT NO. 90-482118. AS AMENDED BY THAT CERTAIN AMENDMENT TO DRAINAGE EASEMENT RECORDED JANUARY 18, 1991, AS INSTRUMENT NO. 91-026004, AND ALSO AS AMENDED BY THAT CERTAIN GRANT OF EASEMENTS AND AGREEMENT REGARDING DRAINAGE EASEMENT RECORDED JUNE 3, 1997, AS INSTRUMENT NO. 19970253674, ALL OF OFFICIAL RECORDS.

PARCEL G:

PARCEL 9 OF PARCEL MAP NO. 96-121, IN THE CITY OF CYPRESS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 298, PAGE(S) 13 TO 16 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

PARCEL H

APPURTENANT EASEMENTS TO USE, MAINTAIN, OPERATE, ALTER, REPAIR, REPLACE, RECONSTRUCT AND INSPECT THE UTILITIES, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN RECIPROCAL UTILITIES EASEMENT AGREEMENT RECORDED JULY 31, 1991, AS INSTRUMENT NO. 91-404179, OF OFFICIAL RECORDS.

PARCEL I:

A NON-EXCLUSIVE, PERPETUAL EASEMENTS FOR PEDESTRIAN AND VEHICULAR ACCESS AND FOR INSTALLATION AND MAINTENANCE PURPOSES, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN ACCESS AND UTILITY EASEMENT AGREEMENT RECORDED SEPTEMBER 11, 1990 AS INSTRUMENT NO. 90-482112, AS AMENDED BY THAT CERTAIN AMENDMENT TO ACCESS AND UTILITY EASEMENT AGREEMENT RECORDED JANUARY 18, 1991, AS INSTRUMENT NO. 91-025992, AND AS FURTHER AMENDED BY THAT CERTAIN SECOND AMENDMENT RECORDED OCTOBER 9, 1997, AS INSTRUMENT NO. 19970507990, ALL OF OFFICIAL RECORDS.

PARCEL J:

AN APPURTENANT EASEMENT FOR STORM DRAINAGE, AS SAID EASEMENT IS SET FORTH IN THAT CERTAIN GRANT OF DRAINAGE EASEMENT RECORDED SEPTEMBER 11, 1990, AS INSTRUMENT NO. 90-482118. AS AMENDED BY THAT CERTAIN AMENDMENT TO DRAINAGE EASEMENT RECORDED JANUARY 18, 1991, AS INSTRUMENT NO. 91-026004, AND ALSO AS AMENDED BY THAT CERTAIN

**GRANT OF EASEMENTS AND AGREEMENT REGARDING DRAINAGE EASEMENT
RECORDED JUNE 3, 1997, AS INSTRUMENT NO. 19970253674, ALL OF OFFICIAL
RECORDS.**

APN: 241-091-22 and 241-091-23 and 241-091-24 and 241-091-25 and 241-091-26.

CERTIFICATE OF ACCEPTANCE

This to certify that the interest in real property and other interests conveyed by the foregoing Quitclaim Deed, dated March 8, 2011, from the Cypress Redevelopment Agency, a public body, corporate and politic ("Grantor"), to the City of Cypress, a charter city and municipal corporation ("Grantee"), is hereby accepted by the undersigned officer of the Grantee City of Cypress, on behalf of the Grantee City of Cypress, pursuant to authority conferred by Resolution No. 554 of the City Council of the City of Cypress adopted on February 23, 1965, and the Grantee City of Cypress, consents to the recordation thereof by its undersigned duly authorized officer.

CITY OF CYPRESS, a charter city and municipal corporation

By: [Signature]
John B. Bahorski, City Manager

Dated: March 8, 2011

ATTEST:

Denise Basham
City Clerk

State of California)
County of Orange)

On March 8, 2011, before me, Denise Basham, Notary Public,
(here insert name and title of the officer)
personally appeared John B. Bahorski

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Denise Basham

