

A G E N D A

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

TUESDAY, APRIL 21, 2020, 8:30 AM

ORANGE COUNTY AUDITOR-CONTROLLER OFFICE – via Teleconference
1770 N. Broadway, Fourth Floor, Board Room 467
Santa Ana, California 92706

CONFERENCE CALL NUMBER: 888-398-2342
PARTICIPATION CODE: 7611432

BRIAN PROBOLSKY
Chairman

HON. STEVE JONES
Vice Chairman

CHARLES BARFIELD
Board Member

STEVE FRANKS
Board Member

CHRIS GAARDER
Board Member

DEAN WEST, CPA
Board Member

PHILLIP E. YARBROUGH
Board Member

Staff

Hon. Frank Davies, CPA, Auditor-Controller
Kathy Tavoularis
Clare Venegas

Counsel

Patrick K. Bobko

Clerk of the Board

Kathy Tavoularis

The Orange Countywide Oversight Board welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. Speaker Forms are located next to the Speaker Form Return box. When addressing the Board, please state your name for the record prior to providing your comments.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board 72 hours prior to the meeting at (714) 834-2458

GUIDANCE FOR PUBLIC ACCESS TO REDUCE RISK OF COVID-19:

On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19). Pursuant to Governor Newsom's Executive Orders N2520 and N2920, please be advised that some, or all, of the Orange Countywide Oversight Board may attend this meeting telephonically.

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Board Members and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the Board will not be allowed during the time period covered by the above-referenced Executive Orders.

A G E N D A

In the interest of maintaining appropriate social media distancing, the Orange Countywide Oversight Board encourages the public to participate by submitting emails at Kathy.tavoularis@ac.ocgov.com by 7:30 AM the day of the meeting, or calling (714) 834-2458 and leaving a message before 7:30 AM the day of the meeting, if you want to provide comments on agenda items or other subject matters within the Orange Countywide Oversight Board's jurisdiction.

The Orange Countywide Oversight Board and Staff thank you in advance for taking all precautions to prevent spreading the COVID19 virus. If you have any questions, please contact the Orange County Auditor Controller's Office at (714) 834-2458

All supporting documentation is available for public review online at <http://ocauditor.com/ob/> or in person in the office of the Auditor-Controller located at 1770 North Broadway, Santa Ana, California 92706 during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Friday.

A G E N D A

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

8:30 A.M.

1. Call to Order
2. Pledge of Allegiance
3. Approval of the Minutes from January 28, 2020
4. Adopt Amendment to Board Policies and Procedures
5. Adopt Resolution Regarding Request by Successor Agency to transfer parcel APC 386-463-12 to the city
 - a. Orange
6. Adopt Resolution Regarding Request by Successor Agency for Authorization to Issue Refunding Bonds
 - a. Stanton
7. Adopt Resolution Regarding Request Approving of Assignment and Assumption of Parking Structure Agreements
 - a. San Juan Capistrano

COMMENTS & ADJOURNMENT:

PUBLIC COMMENTS:

At this time members of the public may address the Board on any matter not on the agenda but within the jurisdiction of the Board. The Board may limit the length of time each individual may have to address the Board.

STAFF COMMENTS:

- Form 700 is Due July 1 (continued from April 1 due to COVID-19)
- Chris Nguyen departure

BOARD COMMENTS:

CLOSED SESSION:

- CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – SIGNIFICANT EXPOSURE TO LITIGATION – Pursuant to Government Code Section 54956.9(d)(4):
Number of Cases: One Case

ADJOURNMENT

NEXT MEETING:

Regular Meeting July 21, 2020, 8:30 AM

MINUTES

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

January 28, 2020, 8:30 a.m.

1. CALL TO ORDER

A regular meeting of the Orange Countywide Oversight Board was called to order at 8:56 a.m. on **January 28, 2020** at the Rancho Santiago Community College District offices, 2323 N. Broadway, Santa Ana, California by Chairman Brian Probolsky, presiding officer.

Present:	5	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones
		Board Member:	Chris Gaarder
		Board Member:	Charles Barfield
		Board Member:	Dean West
Absent:	2	Board Member:	Phillip E. Yarborough
		Board Member:	Steve Franks

Also present were Chris Nguyen, Staff; Patrick Bobko, Counsel; Kathy Tavoularis, Clerk of the Board; Clare Venegas, Consultant; and Zeshaan Younus, Consultant.

2. PLEDGE OF ALLEGIANCE

Led by Board Member West.

3. APPROVAL OF MINUTES FROM JANUARY 21, 2020

On the motion of Board Member Gaarder, seconded by Vice Chair Jones, the minutes from the January 21, 2020 Board meeting were approved, with Board Member Barfield abstaining.

4. ADOPT RESOLUTION REGARDING REQUESTS BY SUCCESSOR AGENCY FOR ANNUAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND ADMINISTRATIVE BUDGET (*Totaling \$0*)

- a. **Cypress** – Chairman Probolsky noted the request is for a \$0 amount. Board Member Gaarder moved, seconded by Vice Chair Jones, to approve the item. Board Member West asked about the ambitious timeline for dissolution laid out by staff, and Staff

Member Nguyen explained that the timeline is set by statute and triggers once the last enforceable obligation is paid off. Board Member West asked if the Successor Agency has any outstanding properties, enforceable obligations, or litigation. Cypress Assistant Director of Finance Donna Mullally noted that all of the litigation has been taken care and the city no longer has any enforceable obligations. The motion was approved unanimously.

5. ADOPT RESOLUTION REGARDING REQUEST BY SUCCESSOR AGENCIES FOR CONTRACT AMENDMENT

- a. **Anaheim** – On motion of Board Member Gaarder, seconded by Board Member West, the item was approved unanimously.

6. ADOPT RESOLUTIONS REGARDING REQUESTS BY SUCCESSOR AGENCIES FOR ANNUAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND ADMINISTRATIVE BUDGET *(The Oversight Board took straw votes on these agencies' draft Administrative budgets at the September 26, 2019 meeting)*

- a. **Anaheim** – On motion of Board Member Gaarder, seconded by Vice Chair Jones, the item was approved unanimously.
- b. **Fullerton** – Board Member Gaarder recused himself as he serves as a Fullerton Planning Commissioner. Board Member West moved approval. Vice Chair Jones seconded. Board Member West asked about line item #24 on the ROPS and whether it pushes the city over the allowable administrative costs. Fullerton Revenue Manager Ramona Castaneda confirmed that it would, however, the Department of Finance's direction has been to list it separately. The motion was approved, with Board Member Gaarder recusing himself.
- c. **Huntington Beach** – On motion of Board Member Gaarder, seconded by Board Member Barfield, the item was approved unanimously.
- d. **La Habra** – Board Member West moved approval. Board Member Barfield seconded. Board Member West noted that the ROPS looked clean. The motion was approved unanimously.
- e. **La Palma** - On motion of Board Member Barfield, seconded by Board Member West, the item was approved unanimously.
- f. **Mission Viejo** – Board Member Gaarder moved approval. Board Member West seconded. Board Member Gaarder expressed appreciation for the level of detail in the staff report. The motion was approved unanimously.

- g. Placentia** – Board Member Gaarder moved approval. Board Member Barfield seconded.

Board Member West asked if there are properties not shown on the ROPS since the administrative budget looks higher and there doesn't seem to be any justification other than information about the staff salaries. Brian Moncreif of Kosmont Companies introduced himself as a representative of the Placentia Successor Agency and noted that staff has spent a lot of time to satisfy the changing needs of the Department of Finance personnel and the Countywide Oversight Board/Auditor-Controller's office to justify staff time, and they understand the Department of Finance's and Oversight Board's direction to reduce administrative costs overall. Moncreif said as the enforceable obligations go away and loans are taken care, the intent is to reduce the administrative costs over time. Board Member West stated that he believes the Oversight Board has oversight responsibilities and that there are other Successor Agencies who can manage the same level of obligations with less cost, even though there's a maximum amount allowed under the statute.

Board Member West noted he was unable to attend in September to provide input. An example Board Member West noted of an agency that has good justification for its administrative costs is Fullerton, where they are managing current properties, but Placentia has fewer, so he is concerned there will be a point where there's not enough justification for ongoing cost. Board Member Gaarder suggested that Placentia commit to lowering its administrative budget going forward. Board Member West agreed with the suggestion, adding that he doesn't have a problem approving Placentia's ROPS today, but he does have a concern going forward. Moncreif did not agree to the suggestion, but stated Placentia's intent and goal is to reduce their remaining enforceable obligations, and once they have only bond obligations, they expect the administrative costs will be significantly reduced.

The motion was approved unanimously.

- h. Santa Ana** – Board Member Barfield moved approval. Board Member Gaarder seconded. Board Member West stated although Santa Ana only has a few obligations, they are still requesting the maximum \$250,000 for administrative costs, which seems excessive. Santa Ana Principal Management Analyst Susan Gorospe stated they follow the guidance of the State Department of Finance for the administrative cost allowance and that they still have properties under the Long Range Property Management Plan that have ongoing litigation. She anticipates that while they have requested the full amount, the actual administrative costs will be lower than that amount, and the difference can be applied to meet other outstanding obligations. Board Member West asked how much of the administrative budget had been unused in the past. Gorospe noted that page 2 of the staff report shows a three-year history of not utilizing the entire authorized administrative budget. For example, in FY2018-19, \$59,265 had not been used. The motion was approved unanimously.

7. ADOPT RESOLUTIONS REGARDING REQUESTS BY SUCCESSOR AGENCIES FOR ANNUAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND ADMINISTRATIVE BUDGET

- a. **Costa Mesa** – Board Member Gaarder praised Costa Mesa’s low administrative costs and moved approval. Board Member West seconded. The motion was approved unanimously.
- b. **San Juan Capistrano** – Board Member West stated that San Juan Capistrano’s administrative costs had been reduced appropriately and moved approval. Board Member Gaarder seconded. The motion was approved unanimously.
- c. **Seal Beach** - On motion of Board Member West, seconded by Board Member Gaarder, the item was approved unanimously.
- d. **Westminster** -- Board Member West praised the agenda item and moved approval. Board Member Gaarder seconded. The motion was approved unanimously.

COMMENTS AND ADJOURNMENT:

PUBLIC COMMENTS:

Clerk of the Board Tavoularis reported there are no public comment requests.

STAFF COMMENTS:

Staff Member Nguyen said the Board Members should have received an electronic reminder for their Form 700 form submissions, which are due April 1.

BOARD COMMENTS:

Board Member Gaarder requested an Oversight Board forecast/current budget and survey showing all of the Successor Agencies’ information, such as which ones have completed their Last and Final ROPS, the total amount of obligations, and the administrative budget amounts. Staff Member Nguyen said that there are some notable differences, such as Irvine where they have a large outstanding enforceable obligation amount for one item, compared to Huntington Beach which has numerous obligations but a smaller aggregate enforceable obligation amount. Chair Probolsky suggested adding the number of enforceable obligations to provide context.

ADJOURNMENT

Chairman Probolsky noted the next regular meeting of the Countywide Oversight Board is scheduled for April 21, 2020 and adjourned the meeting at 9:23 a.m.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

KATHY TAVOULARIS
CLERK OF THE BOARD

DATE

Orange Countywide Oversight Board

Date: 4/21/2020

Agenda Item No. 4

From: Staff of the Oversight Board

Subject: Amendments to Board Policies and Procedures

Recommended Action:

Approve resolution adopting amendments to the policies and procedures.

This resolution would adopt amendments to the policies and procedures for the Orange Countywide Oversight Board to update the Designated Official for the Countywide Oversight Board.

Attachment

1. Oversight Board Resolution

Resolution No. 20-_____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
ADOPTING AMENDMENTS TO THE POLICIES AND PROCEDURES

WHEREAS, California Health and Safety Code Section 34179(e) requires all action items of the Orange County Countywide Oversight Board be accomplished by resolution; and

WHEREAS, the Policies and Procedures further the Board's ability to perform its fiduciary duty to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other related revenues; and

WHEREAS, the Policies and Procedures were adopted at the inaugural meeting of the Board; and

WHEREAS, the Policies and Procedures were most recently amended at the September 26, 2019 Board Meeting; and

WHEREAS, amendments are necessary to revise the Designated Official for the Countywide Oversight Board;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD hereby amends Article III, Section B of the Policies and Procedures of the Orange Countywide Oversight Board to change "Chris Nguyen" to "Kathy Tavoularis" as the Designated Official, "(714) 834-2351" to "(714) 834-2458" as the phone number, and "chris.nguyen@ac.ocgov.com" to "kathy.tavoularis@ac.ocgov.com" as the email address.

Orange Countywide Oversight Board

Agenda item No. 5A

Date: 4/21/2020

From: Successor Agency to the Orange Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Transfer of Land Located at 525 W. Chapman Ave. in the City of Orange from the Successor Agency to the City of Orange

Recommended Action:

Approve resolution to authorize transfer of Metrolink parking lot property

The Orange Successor Agency requests approval of a transfer of land, located at 525 W. Chapman Ave. in the City of Orange from the Successor Agency to the City.

As part of the wind down of the former Orange Redevelopment Agency's (RDA) affairs, the Successor Agency transferred a number of properties to the City of Orange for governmental use with the prior approval of the Successor Agency's former oversight board and the State Department of Finance (the "DOF").

The former oversight board adopted Resolution No. OB-0039. The Resolution No. OB-0039 was intended to, among other things, allow the transfer of the West Chapman Parking Lot to the City of Orange. The DOF approved such transfer on November 5, 2013. The Parking Lot, consisting of several parcels, is located west of the train tracks at the Orange Metrolink Transportation Center. Successor Agency Staff recently discovered that one of the Parking Lot parcels, located at 525 W. Chapman Ave. (APN 386-463-12) was inadvertently left out of Resolution No. OB-0039.

This is an important parcel because part of the driveway is on this parcel. The train tracks are in a quiet zone, which requires the driveway to be a certain distance from the tracks. Therefore, the driveway cannot be relocated east and off of the parcel in question. Additionally, setback requirements would require an easement for the driveway, leaving approximately 3,800 square feet of developable land, which a reduced frontage of about 20 percent.

As background, in 2008, the City and the former RDA entered into a ground lease for the West Chapman Parking Lot, which was then owned by the City. The ground lease requires all land within the parking lot, including APN 386-463-12, to be used as part of the parking lot until July 15, 2037. The parking lot was sold to the former RDA in 2010 in order to comply with Orange County Transportation Authority (OCTA) guidelines, as the parking lot was being considered for construction of a parking structure that would be largely funded by OCTA. However, the ground lease stipulates that all successor owners are subject to the ground lease requiring the land to be used as a parking lot.

The City presented this item to the Oversight Board on January 22, 2019 for approval. However, the Board did not take action and requested that the City obtain an appraisal to determine the value of the land. Upon discovering the new information above, and the reduced land available on the parcel to develop, the City feels that an appraisal is not necessary because the economic value of the land is minimal.

This Resolution will authorize the Successor Agency's transfer of the remaining West Chapman Parking Lot parcel to the City.

The Board of the Successor Agency approved the transfer to the City through Resolution SAORA-031 on December 11, 2018.

Impact on Taxing Entities

None.

Staff Contact(s)

Will Kolbow, Assistant City Manager/Administrative Services Director

Attachments

Attachment 1 – Proposed Oversight Board Resolution (with Exhibit A -- form of Quitclaim Deed)

Attachment 2 – Successor Agency Governing Board Resolution No. SAROA-31 approving the transfer

Attachment 3 – Resolution No. OB-0039, adopted by the Successor Agency Oversight Board on July 24, 2013

Attachment 4 – State Department of Finance Letter, dated November 5, 2013, approving Resolution No. OB-0039

Attachment 5 – Ground Lease between the Orange Redevelopment Agency and the City of Orange, dated February 14, 2008

Attachment 6 – Parcel Map

Attachment 7 – Parcel Photo

RESOLUTION NO. 20-_____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY DIRECTING THE TRANSFER OF A GOVERNMENTAL USE PROPERTY (APN 386-463-12) TO THE CITY OF ORANGE AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Orange Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012; the Successor Agency to the Orange Redevelopment Agency (the "Successor Agency") was constituted as the successor to the Former Agency; and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency's affairs; and

WHEREAS, Health and Safety Code ("HSC") Section 34175(b), all real properties of the Former Agency transferred to the control of the Successor Agency by operation of law; and

WHEREAS, HSC Section 34181(a) sets forth certain requirements for the oversight board with jurisdiction over the Successor Agency to direct the Successor Agency to dispose of the Former Agency's properties, but provides that the oversight board may direct the Successor Agency to transfer ownership of a property that was constructed and used for a governmental purpose (including, among others, parks and public parking facilities facilities) to the appropriate public jurisdiction; and

WHEREAS, recently, it has come to the Successor Agency's attention that the Former Agency (as succeeded by the Successor Agency) remains to be the fee owner of record of a property located on West Chapman Avenue (APN 386-463-12) (the "Property"); and

WHEREAS, the Property consists of a small grassy park space, which is an appendage to the parking lot of the Metrolink Station (the "West Chapman Parking Lot"); and

WHEREAS, the former oversight board of the Successor Agency adopted Resolution No. OB-0039, approving the transfer of multiple governmental use properties, including the West Chapman Parking Lot parcels (and the State Department of Finance, by its letter dated November 5, 2013, approved the transfer of the West Chapman Parking Lot parcels); however, at that time, the Property was inadvertently left out of No. OB-0039; and

WHEREAS, in furtherance of its wind-down of the Former Agency's affairs, the Successor Agency desires to transfer the Property to the City pursuant to HSC Section 34181(a);

WHEREAS, pursuant to HSC Section 34179(j), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") has jurisdiction over the Successor Agency; and

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD;

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby authorizes and directs the Successor Agency to transfer of the Property to the City and authorizes the Successor Agency to execute and deliver a quitclaim deed (the "Deed"), substantially in the form attached as Exhibit A, for such transfer.

Section 3. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

EXHIBIT A

FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY

AND WHEN RECORDED RETURN TO:

City of Orange
300 E. Chapman Avenue
Orange, California 92866
Attention: City Clerk

APN(s): 386-463-12

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code Section 11922, and exempt from Recording Fees pursuant to California Government Code Section 27383.

QUITCLAIM DEED

THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the CITY OF ORANGE, a municipal corporation, all of the Successor Agency's right, title and interest in, under and to that certain real properties (and all improvements and fixtures located thereon) located in the County of Orange, State of California, described as:

The east 56.00 feet of Lot 1, in Block C of the Spotts Villa Tract, as per map recorded in book 3, page 45 of Miscellaneous Maps, in the office the County Recorder of Orange County, California.

IN WITNESS WHEREOF, the undersigned has executed this Quitclaim Deed as of the date set forth below.

Dated: _____, 2020

SUCCESSOR AGENCY TO THE
ORANGE REDEVELOPMENT AGENCY

Attest:

By: _____
Rick Otto
Executive Director

Pamela Coleman
Agency Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

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

Notary Public, 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 _____ (Seal)

**CERTIFICATE OF ACCEPTANCE
(California Government Code Section 27281)**

This is to certify that the interest in real property conveyed to the City of Orange (the "City") by that certain Quitclaim Deed, dated _____, 2019, executed by the Successor Agency to the Orange Redevelopment Agency is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Resolution No. 11125 of the City Council of the City, adopted on December 11, 2018, and the City consents to the recordation thereof by its duly authorized officer.

Dated: _____, 2019

CITY OF ORANGE

By: _____
Mark A. Murphy
Mayor

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.

IN WITNESS WHEREOF, I have hereto set my hand

KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 20-_____

Agenda Date:

Item No.:

RESOLUTION NO. SAORA-031

A RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF A GOVERNMENTAL USE PROPERTY (APN 386-463-12) TO THE CITY OF ORANGE AND TAKING RELATED ACTIONS.

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Orange Redevelopment Agency (the "**Former Agency**") was dissolved as of February 1, 2012; the Successor Agency to the Orange Redevelopment Agency (the "**Successor Agency**") was constituted as the successor to the Former Agency; and an Oversight Board to the Successor Agency (the "**Oversight Board**") was established; and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency's affairs; and

WHEREAS, Section 34175(b) of Health and Safety Code ("**HSC**"), all real properties of the Former Agency transferred to the control of the Successor Agency by operation of law; and

WHEREAS, HSC Section 34181(a) sets forth certain requirements for the Oversight Board to direct the Successor Agency to dispose of the Former Agency's properties, but provides that the Oversight Board may direct the Successor Agency to transfer ownership of a property that was constructed and used for a governmental purpose (including, among others, parks and public parking facilities) to the appropriate public jurisdiction; and

WHEREAS, recently, it has come to the Successor Agency's attention that the Former Agency (as succeeded by the Successor Agency) remains to be the fee owner of record of a property located on West Chapman Avenue (APN 386-463-12) (the "**Property**"); and

WHEREAS, the Property consists of a small grassy park space, which is an appendage to the parking lot of the Metrolink Station (the "**West Chapman Parking Lot**"); and

WHEREAS, the Oversight Board adopted Resolution No. OB-0039, approving the transfer of multiple governmental use properties, including the West Chapman Parking Lot parcels (and the State Department of Finance, by its letter dated November 5, 2013 approved Resolution No. OB-0039); however, at that time, the Property was inadvertently left out of No. OB-0039; and

WHEREAS, in furtherance of its wind-down of the Former Agency's affairs, the Successor Agency desires to transfer the Property to the City pursuant to HSC Section 34181(a); and

WHEREAS, the Oversight Board is expected to consider the adoption of a resolution ("**Oversight Board Resolution**") directing the transfer of the Property to the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORANGE, ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

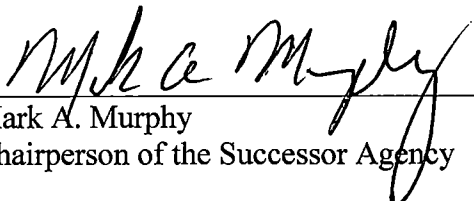
Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The transfer of the Property to the City is hereby authorized and approved. Each of the Chair, the Vice Chair and the Executive Director of the Successor Agency (collectively, the “**Authorized Officers**,” each being an “**Authorized Officer**”), acting individually, is hereby authorized to execute and deliver, for and in the name of the Successor Agency, a quitclaim deed (the “**Deed**”), substantially in the form attached as **Attachment A**, to effect and evidence such transfer; provided, that such execution shall occur after the Oversight Board Resolution takes effect.

Section 3. The Authorized Officers and other officers and Staff members of the Successor Agency are hereby authorized, jointly and severally, to do all things (including but not limited to the execution of any certificates or other instruments) which they may deem necessary or proper to effectuate the purposes of the Deed and this Resolution, and any such actions previously taken are hereby ratified and confirmed.

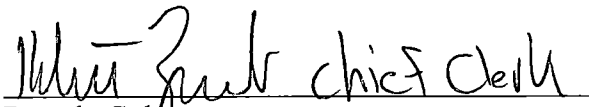
Section 4. This Resolution shall take effect immediately upon adoption.

ADOPTED this 11th day of December 2018.



Mark A. Murphy
Chairperson of the Successor Agency

ATTEST:

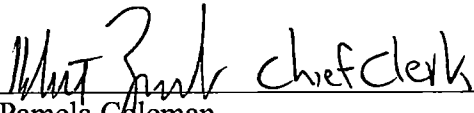


Pamela Coleman
Clerk of the Successor Agency
to the Orange Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF ORANGE)

I, Pamela Coleman, Clerk of the Successor Agency, City of Orange, California, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Orange, acting as the Governing Board of the Successor Agency to the Orange Redevelopment Agency, at a regular meeting thereof held on the 11th day of December 2018, by the following vote:

AYES: BOARD MEMBERS: Alvarez, Murphy, Nichols, Monaco
NOES: BOARD MEMBERS: None
ABSTAIN: BOARD MEMBERS: None
ABSENT: BOARD MEMBERS: None



Pamela Coleman
Clerk of the Successor Agency
to the Orange Redevelopment Agency

ATTACHMENT A
FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Orange
300 E. Chapman Avenue
Orange, California 92866
Attention: City Clerk

APN(s): 386-463-12

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code Section 11922, and exempt from Recording Fees pursuant to California Government Code Section 27383.

QUITCLAIM DEED

THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the CITY OF ORANGE, a municipal corporation, all of the Successor Agency's right, title and interest in, under and to that certain real properties (and all improvements and fixtures located thereon) located in the County of Orange, State of California, described as:

The east 56.00 feet of Lot 1, in Block C of the Spotts Villa Tract, as per map recorded in book 3, page 45 of Miscellaneous Maps, in the office the County Recorder of Orange County, California.

IN WITNESS WHEREOF, the undersigned has executed this Quitclaim Deed as of the date set forth below.

Dated: _____, 2018

SUCCESSOR AGENCY TO THE
ORANGE REDEVELOPMENT AGENCY

ATTEST:

By: _____
Rick Otto
Executive Director

Pamela Coleman
Clerk of the Successor Agency
to the Orange Redevelopment Agency

RESOLUTION NO. OB-0039

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY DIRECTING THE SUCCESSOR AGENCY TO TRANSFER OWNERSHIP OF CERTAIN GOVERNMENTAL USE PROPERTIES FORMERLY OWNED BY THE ORANGE REDEVELOPMENT AGENCY TO THE CITY OF ORANGE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34181(a).

WHEREAS, pursuant to Assembly Bill X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal. 4th 231(2011)), the Orange Redevelopment Agency (the "Redevelopment Agency") was dissolved as of February 1, 2012 and the Successor Agency to the Orange Redevelopment Agency (the "Successor Agency") was constituted; and

WHEREAS, on January 10, 2012, by Resolution No. 10625, the City of Orange declared itself as the successor agency (the "Successor Agency") upon the dissolution of the Redevelopment Agency, subject to all reservations stated in such resolution; and

WHEREAS, Assembly Bill 1484 (which became effective at the end of June 2012) amended and supplemented AB X1 26 (AB X1 26 and AB 1484, together, being referred to below as the "RDA Dissolution Act"); and

WHEREAS, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency (the "Oversight Board") has been established to direct the Successor Agency to take certain actions to wind down the affairs of the Agency in accordance with the California Health and Safety Code; and

WHEREAS, pursuant to the RDA Dissolution Act, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency have been transferred to the control of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34181(a) sets forth certain requirements for the Oversight Board to direct the Successor Agency to dispose of the assets and properties of the former Redevelopment Agency, but provides that the Oversight Board may direct the Successor Agency to transfer ownership of an asset that was constructed and used for a governmental purpose to the City of Orange; and

WHEREAS, Health and Safety Code Sections 34191.3 and 34191.5 suspended the requirements of Section 34181(a) pending the preparation of a long range management plan pursuant to Section 34191.5, except for transfers of properties for governmental use; and

WHEREAS, the Successor Agency has presented to the Oversight Board information at its May 9, 2012 meeting providing a general overview of real property assets; and

WHEREAS, pursuant to Health and Safety Code Section 34181(f), all actions taken by the Oversight Board pursuant to Health and Safety Code Section 34181(a) must be at a public meeting after at least ten days' notice to the public of the proposed action; and

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency does hereby find, determine, resolve, and order as follows:

Section 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. All legal prerequisites to the adoption of this Resolution have occurred.

Section 3. In accordance with Health and Safety Code Section 34181(a), the Oversight Board hereby finds that all of the property, described below for reference purposes only, was owned by the former Redevelopment Agency and was constructed and used for a governmental purpose. Such Governmental Use Properties include:

- Local agency administrative building with related public parking lots encompassing 0.70 acres comprised of:
 - The local agency administrative building encompassing 0.34 acres (APN 390-382-05) located on West Chapman Avenue between Grand Street and Orange Avenue;
 - The northerly portion of the South Grand Parking Lot encompassing 0.18 acres (APN 390-382-08) located on South Grand Street between West Chapman Avenue and Almond Avenue;
 - The southerly portion of the South Grand Parking Lot encompassing 0.18 acres (APN 390-382-09) located on South Grand Street between West Chapman Avenue and Almond Avenue;
- The South Olive Parking Lot encompassing 0.18 acres (APN 390-663-09) located on South Olive Street between West Chapman Avenue and Almond Avenue which provides for public parking to support the City of Orange Senior Center;
- Public parking lots supporting the Orange Transportation Center and Metrolink Train Station encompassing 6.38 acres comprised of;

- The Lemon Street Parking Lot encompassing 1.74 acres (APNs 039-172-19, 039-381-20, and 039-381-21) located northwesterly of West Chapman Avenue and Lemon Street; and,
- The West Chapman Parking Lot encompassing 4.64 acres (APNs 386-451-42, 386-451-43, 386-451-4 18 and 386-451-19) located westerly of the Orange Transportation Center between Palm and Chapman Avenues.
- Old Towne Public Parking Lots encompassing 2.31 acres comprised of:
 - The South Orange Parking Lot encompassing 0.82 acres (APNs 390-381-15, 390-381-16, and 390-381-17) located on South Orange Street between East Chapman Avenue and Almond Avenue;
 - The North Olive Parking Lot encompassing 0.60 acres (APNs 039-174-01 and 039-174-25) located on North Olive Street between West Chapman Avenue and Maple Avenue; and,
 - The North Orange Parking Lot encompassing 0.89 acres (APNs 039-251-17 and 039-251-28) located on North Orange Street between East Chapman Avenue and Maple Avenue.

Section 4. There are no agreements between the Redevelopment Agency and the City of Orange governing the disposition of the Governmental Use Properties.


Section 5. In accordance with Health and Safety Code Section 34181(a), the Oversight Board does hereby direct the Successor Agency to transfer to the City of Orange all of the Governmental Use Properties for no consideration.

Section 6. The officers and staff of the Oversight Board and the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

Section 7. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

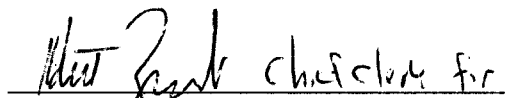
Section 8. This Resolution is duly adopted by the Oversight Board at a public meeting that was publically notice through print media and posting at least 10 days prior to the meeting.

ADOPTED this 24th day of July, 2013.



Carolyn V. Cavecche
Chairperson of the Oversight Board to the Successor
Agency of the Orange Redevelopment Agency

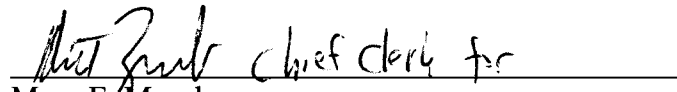
ATTEST:



Mary E. Murphy
Clerk of the Oversight Board

I hereby certify that the foregoing Resolution was duly and regularly adopted by the Oversight Board of the Successor Agency to the Orange Redevelopment Agency at a regular meeting thereof held on the 24th day of July, 2013, by the following vote:

AYES:	BOARDMEMBERS:	Remland, Christensen, Davert, Buttress, Cavecche, Schulze
NOES:	BOARDMEMBERS:	None
ABSENT:	BOARDMEMBERS:	Yarbrough
ABSTAIN:	BOARDMEMBERS:	None



Mary E. Murphy
Clerk of the Oversight Board



November 5, 2013

Ms. Lisa Kim, Senior Project Manager
City of Orange
230 East Chapman Avenue
Orange, CA 92866

Dear Ms. Kim:

Subject: Oversight Board Action Review

The City of Orange Successor Agency (Agency) notified the California Department of Finance (Finance) of its July 24, 2013 oversight board (OB) resolution on July 30, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

OB Resolution No. OB-0039 directs the Agency to transfer ownership of certain governmental use properties to the City of Orange. Based on our review and application of the law, we made the following determinations:

Property	Description	Determination
Local Agency Administration Building	Successor Agency Administration Building	Approved
South Grand Parking Lot I	Parking lot serving the Successor Agency Administration Building	Approved
South Grand Parking Lot II	Parking lot serving the Successor Agency Administration Building	Approved
West Chapman Parking Lot	Parking lot serving the Orange Metrolink Station	Approved
Lemon Street Parking Lot	Mixed use parking lot serving the Orange Metrolink Station and the general public	Approved
South Olive Parking Lot	Parking lot serving the City of Orange Senior Center	Approved
North Olive Parking Lot	Parking lot used by the general public visiting the Downtown area	Denied
South Orange Parking Lot	Parking lot used by the general public visiting the Downtown area	Denied
North Orange Parking Lot	Parking lot used by the general public visiting the Downtown area	Denied

HSC section 34181 (a) lists assets that have been constructed and are being used for a governmental purpose to include roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings. Transfers must be pursuant to existing agreements relating to the construction or use of these types of assets.

The properties subject to this review were assets of the former redevelopment agency, some of which are not currently in use for a governmental purpose as identified in the table above. HSC section 34191.3 suspended the requirements of HSC section 34181 (a) except for the successor agency's ability to dispose of assets used for governmental purposes, until Finance has issued a Finding of Completion and has approved a long-range property management plan (LRPMP). The Agency should include items denied for governmental purpose transfer in its LRPMP and address planned disposition of these properties as required by HSC section 34191.5.

In the event the OB desires to amend the portion of the resolution not approved by Finance, Finance is returning it to the board for reconsideration. However, the Agency can move forward with the portion of the resolution approved by Finance.

Please direct inquiries to Nichelle Thomas, Supervisor, or Alex Watt, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Aaron Schulze, Project Coordinator, City of Orange
Mr. Frank Davies, Property Tax Manager, Orange County
Mr. Steven Mar, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office

Agk. 5229.0-C

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Orange Redevelopment Agency
300 E. Chapman Avenue
Orange, California 92866

Attention: Agency Clerk

Recorded in Official Records, Orange County
Tom Daly, Clerk-Recorder

NO FEE

2008000072320 09:07am 02/19/08

116 91 M11 8
0.00 0.00 0.00 0.00 0.00 0.00 0.00

[Space above this line for Recorder's use, only.]

Free Recording Requested Under
Government Code §6103

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SP
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MEMORANDUM OF GROUND LEASE
[West Chapman Avenue Parking Lot]

This Memorandum of Ground Lease (the "Memorandum") is made as of February 14, 2008 (the "Effective Date"), by and between the CITY OF ORANGE, a municipal corporation ("Landlord"), and the ORANGE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Tenant"), who agree as follows:

1. Premises. Landlord leases to Tenant and Tenant leases from Landlord that certain 2.40-acre parcel of land ("Leased Land") commonly known as the West Chapman Avenue Parking Lot, which is generally depicted on the map attached hereto as Exhibit A and more particularly described on Exhibit B attached hereto. The Leased Land is improved as a public parking facility serving members of the general public and patrons of the peripheral commuter rail passenger terminal and bus transfer facility located at 194 N. Atchison Street in the City of Orange, County of Orange, State of California (the "Orange Transportation Center" or "OTC"). The Leased Land, together with the "Improvements", as defined in that certain Ground Lease ("Ground Lease") between Landlord and Tenant of even date, located on the Leased Land, are herein referred to collectively as the "Premises".

2. Term of Lease. The term of this Ground Lease shall commence on the Effective Date and expire, without notice or other action by either party, on July 15, 2037 in accordance with the terms and provisions contained in the Ground Lease, which is dated on the same date as this Memorandum. The provisions of the Ground Lease are incorporated into this Memorandum by reference.

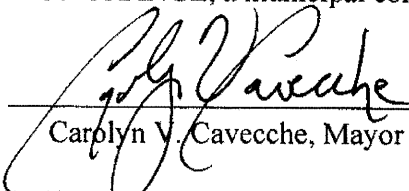
3. Provisions Binding on Landlord. The provisions of the Ground Lease to be performed by Landlord, whether to be performed at the Premises and whether affirmative or negative in nature, are intended to and shall bind Landlord and his successors and shall inure to the benefit of Tenant and its successors.

4. Purpose of Memorandum. This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Ground Lease.

"LANDLORD"

CITY OF ORANGE, a municipal corporation

By: _____


Carolyn V. Cavecche, Mayor

ATTEST: _____


Mary E. (Murphy), City Clerk

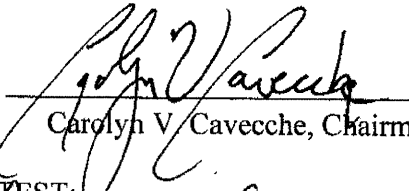
~~APPROVED AS TO FORM:~~ _____


Theodore J. Reynolds
Assistant City Attorney

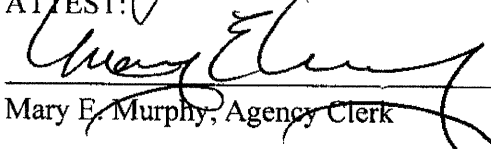
"TENANT"

ORANGE REDEVELOPMENT AGENCY, a
public body, corporate and politic

By: _____


Carolyn V. Cavecche, Chairman

ATTEST: _____


Mary E. Murphy, Agency Clerk

~~APPROVED AS TO FORM:~~ _____


Theodore J. Reynolds
Assistant General Counsel

ACKNOWLEDGMENT

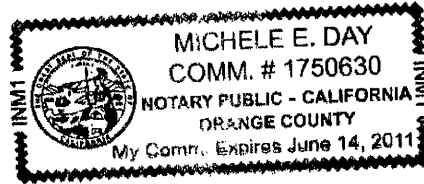
State of California
County of Orange

On February 14, 2008 before me, Michele E. Day, a Notary Public, personally appeared CAROLYN V. CAVECCHÉ, 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 Michele E. Day



(Seal)

EXHIBIT "A"

MAP DEPICTING PREMISES

[Behind this sheet.]



EXHIBIT "B"

LEGAL DESCRIPTION OF PREMISES

[Behind this sheet.]

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Orange, City of , and described as follows:

Parcel A:

A parcel of land in the City of Orange, County of Orange, State of California, being a portion of that certain parcel of land described in Deed dated August 19, 1897, to Southern California Railway Company (predecessor in interest to the Atchison, Topeka and Santa Fe Railway Company), recorded September 18, 1897 in Book 35, page 78 of Deeds, records of Los Angeles County, California, lying in Richland Farm Lots 25 and 26, as shown on map of Richland Farm Lots, recorded in Book 5, page 123, Miscellaneous Records of Los Angeles County, California, and lying Westerly of the following described line:

Beginning at a point in the Southerly line of said Lot 26 distant Westerly 25 feet, measured at right angles from the center line of said Railway Company's, California Division, San Diego Subdivision, Main Track also distant Easterly 89.91 feet from the Southwesterly corner of said Parcel described in said deed recorded in Book 35, page 78 of Deeds, records of Los Angeles County, California:

Thence Northerly along a line parallel and or concentric with and distant Westerly 25 feet measured at right angles and or radially from said main track the following five (5) courses;

(1) North $0^{\circ} 08' 05''$ East (bearings assumed for purposes of this description) 753.88 feet;

Thence (2) Northerly along the Arc of the curve tangent to the preceding course, concave Westerly and having a radius of 3220 feet, through a central angle of $2^{\circ} 59' 32''$ a distance of 168.16 feet;

Thence (3) North $2^{\circ} 51' 27''$ West tangent to the preceding curve, 113.51 feet;

Thence (4) Northerly along the arc of the curve tangent to the preceding course, concave Easterly and having a radius of 3220 feet, through a central angle of $2^{\circ} 57' 10''$, a distance of 165.94 feet;

Thence (5) North $0^{\circ} 05' 43''$ East tangent to the preceding curve, 119.77 feet to point of ending at intersection with the Northerly line of said Lot 25.

Excepting therefrom all minerals contained in the above-described land, including, without limiting the generality thereof, oil, gas and other hydrocarbon substances, as well as metallic or other solid minerals, provided that Santa Fe shall not have the right to go upon or use the surface of said land, or any part thereof, for the purpose of drilling for, mining, or otherwise removing, any of said minerals. Santa Fe may, however, and hereby reserves the right to, remove any of said minerals from said land by means of wells, shafts, tunnels, or other means of access to said minerals which may be constructed, drilled or dug from other land, provided that the exercise of such rights by Santa Fe shall in no way interfere with or impair the use of the surface of the land hereby conveyed or of any improvements thereon.

As reserved by the Atchison, Topeka and Santa Fe Railway Company in the deed recorded February 5, 1992 as Instrument No. 92-70075, of Official Records.

Parcel B:

The east 56.00 feet of Lot 1, in Block C of the Spotts Villa Tract, as per map recorded in book 3, page 45 of Miscellaneous Maps, in the office of the County Recorder of Orange County.

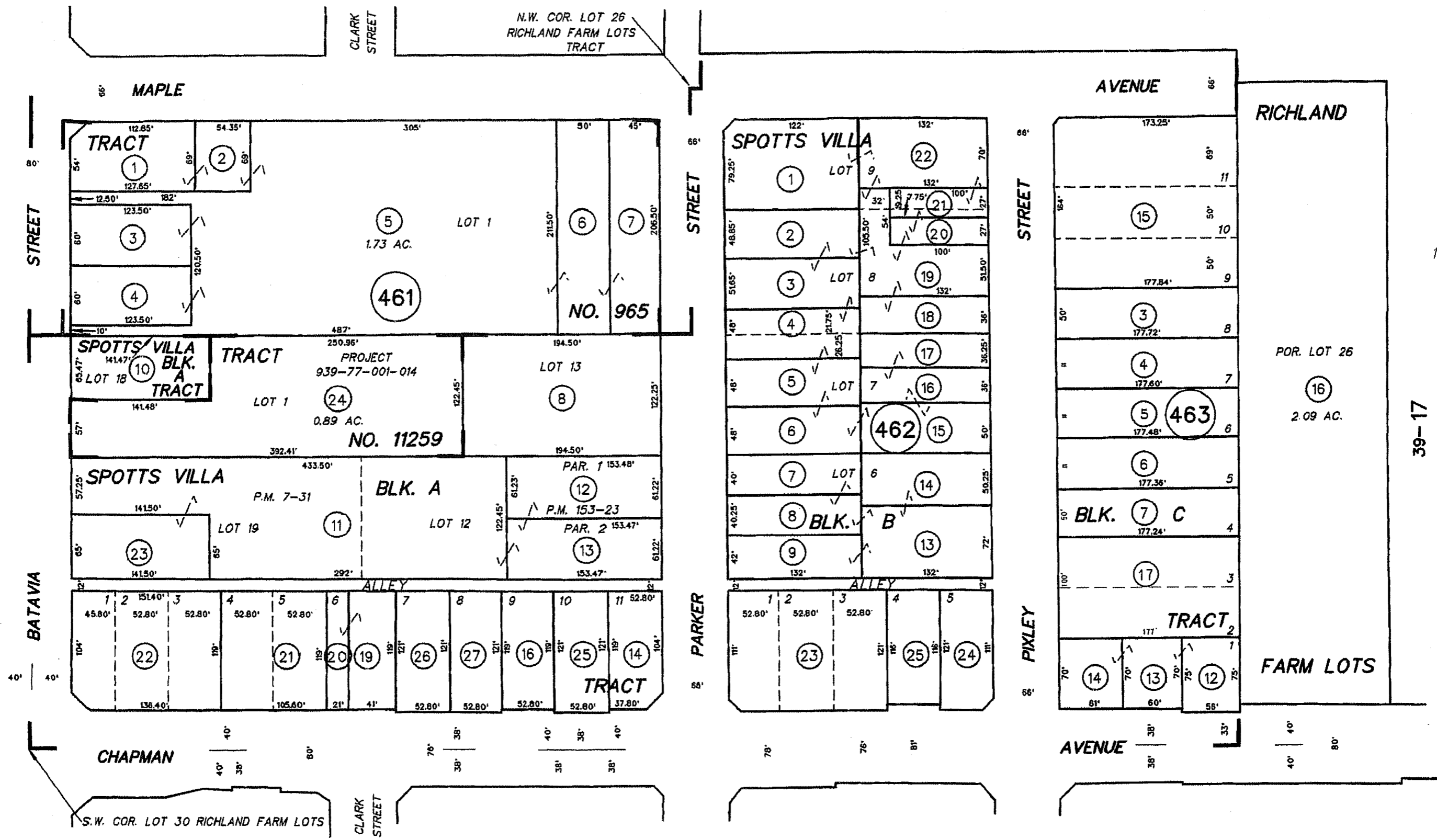
(End of Legal Description)

45

39-04

39-17

1" = 100'



MARCH 1982

SPOTTS VILLA TRACT M.M. 3-45
 TRACT NO. 965 M.M. 32-38
 TRACT NO. 11259 M.M. 490-42, 43
 PARCEL MAP P.M. 153-23
 RICHLAND FARM LOTS L.A. 1-69

NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 386 PAGE 46 COUNTY OF ORANGE





Orange Countywide Oversight Board

Agenda Item No. 6A

Date: 4/21/2020

From: Successor Agency to the Stanton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Authorizing Issuance of Refunding Bonds

Recommended Action:

Approve resolution to authorize issuance of refunding bonds by the Successor Agency to the Stanton Redevelopment Agency.

The Stanton Successor Agency requests approval of a resolution authorizing the issuance of refunding bonds by the Successor Agency to the Stanton Redevelopment Agency.

The Dissolution Act authorizes refinancing of the former redevelopment agency debt if debt service on the bonds can be reduced. Refinancing of outstanding municipal bonds is generally referred to as “refunding” and the bonds issued for this purpose are referred to as “Refunding Bonds.”

When the Stanton Redevelopment Agency (Former Agency) was dissolved, the Former Agency had 5 series of tax allocation bonds outstanding. Four of the bond issues were refinanced in 2016. A portion of the Former Agency’s Tax Allocation Bonds, 2010 Series A (2010 Bonds) were not refinanced at that time because there were no debt service savings.

There are currently \$11,085,000 outstanding 2010 Bonds. The average rate on the 2010 Bonds is 4.36% and the 2010 Bonds mature in 2035. The 2010 Bonds are callable for early redemption on December 1, 2020.

The Successor Agency’s Municipal Advisor estimates that refinancing of the 2010 Bonds will be at an effective rate of 2.65% and mature in 15 years. The repayment of the Successor Agency bonds is scheduled to occur over the same term as the existing bonds. The total net debt service savings over the remaining 15 years that the existing bonds are outstanding is estimated today at approximately \$1.58 million, with a present value of \$1.14 million, or 10.3% of the outstanding 2010 Bonds. These savings will reduce the requested RPTTF funding for enforceable obligations, resulting in increased residual RPTTF available to be distributed to all taxing agencies.

In order to finance the amount required to redeem the outstanding 2010 Bonds on December 1, 2020, plus interest due on December 1, 2020, it is estimated that the Successor Agency will need to raise approximately \$9,715,000 from the sale of the Refunding Bonds. Based on current market conditions, the par amount of the Refunding Bonds is estimated to be \$8,195,000, issued with an original issue premium of \$1,520,000, and will provide total funding of \$9,715,000. The table on the following page provides the anticipated size of the bond issue, including funding of the costs of issuance.

Cost of Issuance		\$ 156,000
Underwriting Commission		64,000
2010 Bond Principal + Interest	\$ 11,300,000	
2010 Bonds Available Reserve Funds	(1,135,000)	
RPTTF on Hand for 2010 Bonds	<u>(670,000)</u>	<u>9,495,000</u>
Total Bond Proceeds		\$ 9,715,000
Original Issue Premium		<u>(1,520,000)</u>
Par Amount of Bonds Issued		\$ 8,195,000

The reserve fund held by the trustee for the 2010 Bonds and the Redevelopment Property Tax Trust Fund (RPTTF) already collected for the December 1, 2020 debt service payment of the 2010 Bonds will be applied to the early redemption of the 2010 Bonds. It is not anticipated that a reserve fund for the Successor Agency bonds will be funded with bond proceeds.

An original issue premium (as shown in the table above) is generated when investors want to hedge against higher future interest rates and require a high stated interest rate (such as 5.0%), but price the bonds to yield a lower current market interest rate (such as 2.0%) and therefore pay the Successor Agency more than 100% of the face value of the bonds, resulting in a lower par amount of bonds required to be issued.

The par amount of the Refunding Bonds will be subject to prevailing market conditions at the time of sale. Therefore a not-to-exceed par amount of \$10.5 million is being requested to provide a reasonable cushion above the expected par amount should interest rates fluctuate or if the bonds are priced without an original issue premium based on investor preference at the time of sale. The amount of the Bonds issued will only be the amount necessary to refinance the outstanding bonds and pay the costs as shown above.

Impact on Taxing Entities

The total debt service savings over the remaining 15 years that the existing bonds are outstanding is estimated today at approximately \$2.7 million. After applying the \$1.1 million existing bonds reserves held by the trustee toward the existing 2010 Bonds debt service, the net debt service savings over the remaining 15 years that the 2010 Bonds are outstanding is estimated today at approximately \$1.58 million as shown on the following page, with a present value of \$1.14 million.

Bond Year Ending December 1	2010 Bonds Debt Service ⁽¹⁾	Refunding Bonds Debt Service	Nominal Savings	Present Value Savings
2021	\$ 900,319	\$ 729,911	\$ 70,408	\$ 164,696
2022	909,006	738,750	170,256	161,876
2023	1,131,194	916,750	214,444	199,195
2024	1,127,594	915,000	212,594	192,975
2025	1,127,994	917,000	210,994	187,157
2026	1,132,194	917,500	214,694	186,095
2027	1,134,994	921,500	213,494	180,839
2028	1,130,344	918,750	211,594	175,143
2029	1,128,369	914,500	213,869	172,983
2030	1,134,906	923,750	211,156	166,891
2031	709,531	575,750	133,781	103,354
2032	713,400	578,250	135,150	102,019
2033	715,881	584,500	131,381	96,902
2034	716,975	584,250	132,725	95,650
2035	<u>716,681</u>	<u>582,750</u>	<u>133,931</u>	<u>94,307</u>
Total	\$14,429,381	\$11,718,911	\$2,710,470	\$2,280,082
2010 Bonds Reserve Fund			<u>(1,134,906)</u>	<u>(1,134,906)</u>
Net Savings			\$1,575,564	\$1,145,176

(1) Excludes June 1 and December 1, 2020 debt service already funded with RPTTF received 2019-20.

These savings will reduce the requested Redevelopment Property Tax Trust Fund (RPTTF) funding for enforceable obligations, resulting in increased residual RPTTF available to be distributed to all taxing agencies. The additional residual RPTTF over the next 15 years would be distributed as follows based on the distribution percentages in 2018-19:

	<u>Total</u>	<u>% Share</u>
County	\$ 86,886	5.5%
K-12 Schools	725,506	46.1%
Community Colleges	107,547	6.8%
County Office of Education	37,590	2.4%
ERAF	261,927	16.6%
City of Stanton	215,412	13.7%
Special Districts	<u>140,694</u>	<u>8.9%</u>
Total Residual	\$1,575,564	100.0%

Authorization

The Successor Agency authorized the issuance of the Refunding Bonds on March 24, 2020. Final approval authority for any refinancing resides with Orange Countywide Oversight Board (Oversight Board) and the Department of Finance (DOF).

The Successor Agency has prepared a resolution for the Oversight Board to consider for the authorization of the issuance of the Refunding Bonds. The resolution provides that Refunding Bonds can only be issued if the debt service savings requirements of Health & Safety Code Section 34177.5(a)(1) are met.

If the Oversight Board approves the resolution authorizing the issuance of the Refunding Bonds, the Oversight Board resolution will be transmitted to the Department of Finance (DOF). DOF then has approximately 60 days to review the transaction for conformity with the provisions of HSC 34177.5(a)(1) and authorize the Successor Agency to proceed with the transaction.

The Successor Agency cannot enter the market to sell the Refunding Bonds until the DOF has approved the transaction. The Successor Agency will be in position to enter the market in early August and issue the Refunding Bonds in September. Between now and then, interest rates could increase and debt service savings may be reduced. Therefore, the current estimate of \$1.58 million savings to be shared among taxing agencies over the next 15 years is an estimate at this time. For every ¼% increase or decrease in the bonds interest rate, the total savings will be reduced or increased by \$190,000, or \$13,000 annually.

Given the recent market volatility and the impact of the coronavirus on the economy, it is difficult to predict with certainty what the interest rates will be in August 2020 when the Refunding Bonds can be sold. Based on interest rates as of March 12, 2020, the present value savings are expected to be 10.3% of the 2010 Bonds debt service. The Dissolution Act requires that there be some savings and the Successor Agency Board approved the issuance if the present value savings are at least 5%. If interest rates fall, the savings will increase.

After the market crash in 2008, it took some time for interest rates on municipal bonds to catch up with reductions in the US Treasury bond interest rates, so there is not a lot of certainty at the moment in predicting interest rates for municipal bonds 4 to 5 months from now. While municipal bond rates are likely to be lower than today, there is no guarantee of that, so it was prudent of the Successor Agency to set a minimum present value savings target of 5%. Once approval is received from DOF, it does not expire, so if market conditions in August do not produce a 5% savings, the Successor Agency can defer and wait until a more opportune time.

Last and Final ROPS

Since the Successor Agency's Last and Final ROPS is already complete, the issuance of the Refunding Bonds will require an amendment to the Last and Final ROPS to reduce the RPTTF payable to the Successor Agency for the 2010 Bonds. The staff anticipates submitting the amendment to the Last and Final ROPS to the Oversight Board at its September 22, 2020 meeting. The Last and Final ROPS is permitted to be amended two times.

Staff Contact(s)

Jarad Hildenbrand, City Manager (714) 890-4277; JHildenbrand@ci.stanton.ca.us

Attachments

- Proposed Oversight Board Resolution authorizing issuance of refunding bonds
- Resolution from Successor Agency to the Stanton Redevelopment Agency authorizing issuance of refunding bonds
- Form of Third Supplemental Indenture
- Form of Irrevocable Refunding Instructions
- Debt Service Savings Analysis

RESOLUTION NO. 20-_____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE
SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY,
MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE
REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Stanton Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to Health and Safety Code Section 34179(j), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") was established and has jurisdiction over all of the successor agencies existing and operating in Orange County, including the Successor Agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to the dissolution of the Former Agency, the Former Agency issued the \$25,280,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010 Bonds") to provide moneys to finance redevelopment activities for Stanton Redevelopment Project Area which were issued pursuant to the Indenture of Trust dated July 1, 2005 by and between the Stanton Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Original Indenture") as supplemented by that certain First Supplement to Indenture of Trust dated October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "First Supplemental Indenture"); and

WHEREAS, the Former Agency further issued its \$15,330,000 Taxable Housing Tax Allocation Bonds, 2011 Series A (the "2011 Series A Bonds") pursuant to an Indenture of Trust, dated as of March 1, 2011, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A.; and

WHEREAS, subsequently the Former Agency issued its \$12,480,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B (the "2011 Series B Bonds," pursuant to that certain Second Supplement to the Indenture of Trust dated March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A. (the "Second Supplemental Indenture"); and

WHEREAS, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the “2016 Series A Bonds”) and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the “2016 Series B Bonds”) pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee in order to refund the Former Agency’s Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series A Bonds and 2005 Series B Bonds; and

WHEREAS, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the “Series 2016C Bonds”) and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the “Series 2016D Bonds,” collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the “2016 Bonds”) in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

WHEREAS, the 2016 Bonds were issued on a subordinate basis to the Prior Bonds (as defined below); and

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Harrell & Company Advisors, LLC (the "Municipal Advisor"), to prepare an analysis (the "Debt Service Savings Analysis") of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the outstanding 2010 Bonds (the “Prior Bonds”);

WHEREAS, the Successor Agency by its resolution adopted on March 24, 2020 (the "Successor Agency Resolution") approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) on a senior basis to the 2016 Bonds;

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of the Third Supplemental Indenture, by and between the Successor Agency and U.S. Bank National Association, as successor trustee to The Bank of New York Mellon and Trust Company, N.A., providing for the issuance of the Refunding Bonds (the "Third Supplemental Indenture" together with the Original Indenture, the First Supplemented Indenture and the Second Supplemented Indenture, the “Indenture”);

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board direct the Successor Agency to undertake the refunding proceedings and approve the issuance of the Refunding Bonds pursuant to the Successor Agency Resolution and the Indenture and that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds; and

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to Stifel, Nicolaus & Company, Incorporated (the "Original Purchaser") pursuant to the terms of a bond purchase agreement to be entered into by the Successor Agency and the Original Purchaser;

WHEREAS, the Successor Agency has, with the assistance of its Disclosure Counsel, Quint & Thimmig LLP, the Municipal Advisor, and the Original Purchaser, prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, for distribution by the Original Purchaser, as underwriter of the Refunding Bonds, to persons and institutions interested in purchasing the Refunding Bonds;

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing;

NOW THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD;

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Ratification and Adoption of Successor Agency Resolution. The Successor Agency Resolution is hereby approved as set forth in the recitals above.

SECTION 3. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

SECTION 4. Direction and Approval of Issuance of the Bonds. As authorized by Section 34177.5(f), the Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180, this Oversight Board hereby directs and approves the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters with respect

thereto, as shall be certified to by the Municipal Advisor upon delivery of the Refunding Bonds or any part thereof. The Refunding Bonds may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The approval of the issuance of the Refunding Bonds by the Successor Agency pursuant to the Successor Agency Resolution and the Oversight Board pursuant to this Resolution shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

SECTION 5. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Refunding Bonds, then the Oversight Board approves the sale and delivery of the Refunding Bonds from time to time in part. In the event the Refunding Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional parts of the Refunding Bonds without the prior approval of this Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 6. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

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

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Orange County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance approved by the California Department of Finance pursuant to Section 34191.6(b) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any

reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance, if it amends the Last and Final ROPS approved by the California Department of Finance pursuant to Section 34191.6(b).

SECTION 7. Effective Date. Pursuant to Health and Safety Code Section 34177(f) and Section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

SECTION 8. Transmittal. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

RESOLUTION NO. SA 2020-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED STANTON REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENT TO INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the \$25,280,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010 Bonds") to provide moneys to finance redevelopment activities for Stanton Redevelopment Project Area of the Former Agency which were issued pursuant to the Indenture of Trust dated July 1, 2005 by and between the Stanton Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Original Indenture") as supplemented by that certain First Supplement to Indenture of Trust dated October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "First Supplemental Indenture"); and

WHEREAS, the Former Agency further issued its \$15,330,000 Taxable Housing Tax Allocation Bonds, 2011 Series A (the "2011 Series A Bonds") pursuant to an Indenture of Trust, dated as of March 1, 2011, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A.; and

WHEREAS, subsequently the Former Agency issued its \$12,480,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B (the "2011 Series B Bonds,") pursuant to that certain Second Supplement to the Indenture of Trust dated March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Second Supplemental Indenture"); and

WHEREAS, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "2016 Series A Bonds") and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "2016 Series B Bonds") pursuant to an Indenture of Trust dated as of February 1, 2016, between the

Successor Agency and the Trustee in order to refund the Former Agency's Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series A Bonds and 2005 Series B Bonds; and

WHEREAS, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the "Series 2016C Bonds") and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the "Series 2016D Bonds," collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the "2016 Bonds") in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

WHEREAS, the 2016 Bonds were issued on a subordinate lien basis to the Prior Bonds (as defined below); and

WHEREAS the 2011 Series B Bonds and a portion of the 2010 Bonds were defeased by a portion of the proceeds of the 2016 Bonds; and

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"); and

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency to the Stanton Redevelopment Agency Stanton Redevelopment Project Area Tax Allocation Refunding Bonds, 2020 Series A (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Harrell & Company Advisors, LLC (the "Municipal Advisor"), to prepare an analysis (the "Debt Service Savings Analysis") of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the outstanding 2010 Bonds (the "Prior Bonds"); and

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds on a senior basis to the 2016 Bonds and to approve the form of and authorize the execution and delivery of the Third Supplement to Indenture of Trust dated September 1, 2020 by and between the Successor Agency and U.S. Bank National Association, as successor trustee, providing for the issuance of the Refunding Bonds (the "Third Supplemental Indenture," collectively with the Original Indenture, the First Supplemental and the Second Supplemental Indenture, the "Indenture"), Irrevocable Refunding Instructions to be delivered by the Successor Agency to the successor trustee for the Prior Bonds (the "Refunding Instructions"), and a bond

purchase agreement (the "Purchase Agreement") between the Successor Agency and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), forms of which have been presented to this meeting and are on file with the City Clerk; and

WHEREAS, pursuant to Health and Safety Code Section 34179(q), commencing on and after July 1, 2018, the County of Orange Countywide Oversight Board (the "Oversight Board") was established and has jurisdiction over all of the successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, pursuant to Section 34177.5(f) and Section 34180(b), the issuance of the Refunding Bonds by the Successor Agency is subject to the approval of the Oversight Board; and

WHEREAS, the Successor Agency, Harrell & Company Advisors, LLC, as Municipal Advisor (the "Municipal Advisor") and Quint & Thimmig LLP, as disclosure counsel, ("Disclosure Counsel") cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter, to persons and institutions interested in purchasing the Refunding Bonds, along with the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which contains certain disclosure covenants to be performed by the Successor Agency for the life of the Bonds; and

WHEREAS, the Successor Agency is now requesting that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture; and

WHEREAS, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds; and

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to the Underwriter pursuant to the terms of the Purchase Agreement; and

WHEREAS, the City Council has previously approved a Debt Management Policy which complies with Government Code Section 8855, and the delivery of the Refunding Bonds will be in compliance with said policy; and

WHEREAS, Section 5852.1 of the California Government Code, which became effective on January 1, 2018, enacted pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature), requires that the Successor Agency obtain from an underwriter, municipal advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Refunding Bonds, good faith estimates of (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the

fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds; and

WHEREAS, in compliance with Section 5852.1 of the California Government Code , the Successor Agency has prepared, with the assistance of the Municipal Advisor, based on information provided by the Underwriter, the required good faith estimates and such estimates are included as Exhibit A to this Resolution.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

SECTION 2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$10,500,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery. The Refunding Bonds may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The approval of the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

SECTION 3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Mayor of the City of Stanton (the "City"), as the Chair and presiding officer of the Successor Agency, the City Manager of the City, as the chief administrative officer of the Successor Agency, and the Finance Director of the City, as the chief financial officer of the Successor Agency, on behalf of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the City Clerk of the City, as the Secretary of the Successor Agency, on behalf of the Successor Agency, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced

by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

SECTION 4. Approval of Refunding Instructions. The form of the Refunding Instructions in substantially the form presented at this meeting and on file with the Successor Agency are hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Refunding Instructions, in substantially the forms on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Refunding Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

SECTION 5. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form presented at this meeting and on file with the City Clerk; provided, however, that the Preliminary Official Statement presented at this meeting does not include information pertaining to assessed valuation of properties in the Redevelopment Project for fiscal year 2020-21, which an Authorized Officer is hereby authorized and directed to approve for inclusion in the Preliminary Official Statement when and as such information becomes available prior to the distribution of the preliminary Official Statement.

Distribution of the preliminary Official Statement by the Underwriter is hereby approved. Prior to the distribution of the preliminary Official Statement, the Authorized Officers are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officers, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and the Authorized Officers, each acting alone, are authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

SECTION 6. Approval of Continuing Disclosure Certificate. Each of the Authorized Officers acting individually, is authorized to, for and in the name and on behalf of the Successor Agency, negotiate, execute and deliver the Continuing Disclosure Certificate in substantially the same form as contained in the appendix of the Official Statement, 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 7. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

SECTION 8. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

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

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Orange County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

SECTION 9. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Orange County Administrative Officer, the Orange County Auditor-Controller and the California Department of Finance.

SECTION 10. Sale of Refunding Bonds. The Successor Agency hereby approves the Purchase Agreement. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Agreement, provided that: (i) the aggregate principal amount of the Refunding Bonds to be issued shall not exceed \$10,500,000; (ii) the Underwriter's discount (excluding original issue discount, if any) shall not exceed 0.95% of the aggregate principal amount of the Refunding Bonds to be issued and (iii) the present value savings from issuance of the Refunding Bonds is at least 5%.

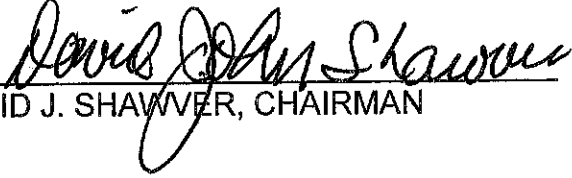
SECTION 11. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 12. Professional Services. The selection of Harrell & Company Advisors, LLC as Municipal Advisor, and the firm of Best Best & Krieger LLP, as Bond Counsel, and Quint & Thimmig LLP, as Disclosure Counsel, is hereby confirmed. The Authorized Officers, each acting alone, are hereby authorized to execute professional services agreement with each such firm. Additionally, the selection of U.S. Bank National Association, as trustee for the Refunding Bonds, is hereby also confirmed.

SECTION 13. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency and the City are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 14. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

ADOPTED, SIGNED AND APPROVED this 24th day of March, 2020.


DAVID J. SHAWVER, CHAIRMAN

APPROVED AS TO FORM:


MATTHEW E. RICHARDSON, AGENCY COUNSEL

ATTEST:

I, Patricia A. Vazquez, Agency Secretary of the City of Stanton, as Successor to Stanton Redevelopment Agency, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. SA 2019-02 has been duly signed by the Chairperson and attested by the Agency Secretary, all at a regular meeting of the City of Stanton, as Successor to Stanton Redevelopment Agency, held on September 10, 2019, and that the same was adopted, signed, and approved by the following vote to wit:

AYES: Ramirez, Shawver, Taylor, Van, Warren

NOES: None

ABSENT: None

ABSTAIN: None

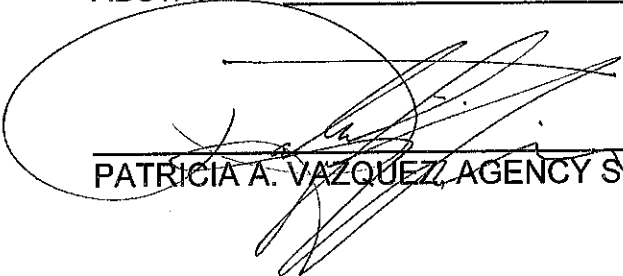

PATRICIA A. VAZQUEZ, AGENCY SECRETARY

EXHIBIT "A"

SB 450 GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Harrell & Company Advisors (the Successor Agency's "Municipal Advisor").

Principal Amount of the Refunding Bonds. The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is \$8,195,000 (the "Estimated Principal Amount").

True Interest Cost of the Refunding Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the respective Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 2.63%.

Finance Charge of the Refunding Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$220,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the Refunding Bonds, less the finance charge of the Refunding Bonds as estimated above, paid or funded with proceeds of the Refunding Bonds, is \$9,495,000.

Total Payment Amount. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the respective proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$11,719,000 and the sum of annual ongoing costs to administer the Refunding Bonds not paid with proceeds of the Refunding Bonds is \$71,000.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on March 12, 2020. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, or a combination of such factors. The actual date of sale of the Refunding Bonds and the actual principal amount of Refunding Bonds sold will be determined by the Successor Agency based on various factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.

**THIRD SUPPLEMENT TO
INDENTURE OF TRUST**

Dated as of September 1, 2020

between the

**SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY**

and

**U.S. BANK NATIONAL ASSOCIATION,
as Successor Trustee**

Relating to

\$ _____

**Successor Agency to the
Stanton Redevelopment Agency
Tax Allocation Refunding Bonds, 2020 Series A**

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THIRD SUPPLEMENT TO INDENTURE OF TRUST

This THIRD SUPPLEMENT TO INDENTURE OF TRUST (this “Third Supplemental Indenture”) dated as of September 1, 2020, is between the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and existing under the Redevelopment Laws of the State of California (the “Successor Agency”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as successor trustee (the “Trustee”).

BACKGROUND:

1. The Stanton Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State of California (the “Redevelopment Law”), including the power to issue bonds for any of its corporate purposes; and

2. In order to provide financing for the Stanton Redevelopment Project Area, the Former Agency has previously issued the following tax allocation bonds:

(a) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds in the aggregate original principal amount of \$16,500,000 (the “2005 Series A Bonds”) under the Indenture of Trust dated as of July 1, 2005 (the “2005 Bond Indenture”) between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

(b) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds in the aggregate original principal amount of \$10,000,000 (the “2005 Series B Bonds,” collectively with the 2005 Series A Bonds, the “2005 Bonds”) under the 2005 Bond Indenture;

(c) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A in the aggregate principal amount of \$25,280,000 (the “2010 Bonds”) under the 2005 Bond Indenture, as supplemented by a First Supplement to Indenture of Trust dated as of October 1, 2010 (the “First Supplemental Indenture”); and

(d) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B in the aggregate principal amount of \$12,480,000 (the “2011 Bonds”), under the 2005 Bond Indenture, as supplemented by the First Supplemental Indenture, and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the “Second Supplemental Indenture”).

3. Following the issuance of the bonds referenced in the paragraph 2 above, the California legislature enacted the Dissolution Act (as defined herein), pursuant to which the Former Agency was dissolved and no longer exists as a public body, corporate and politic, and the Successor Agency has become the successor entity to the Former Agency;

4. Said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

5. The Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the “2016 Series A Bonds”) and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the “2016 Series B Bonds”) pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee (the “2016 Original Indenture”) in order to refund the 2005 Bonds; and

6. The Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the “Series 2016C Bonds”) and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the “Series 2016D Bonds,” collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the “2016 Bonds”) in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016 (together with the 2016 Original Indenture, the “2016 Indenture”); and

7. The Successor Agency has determined that it will achieve debt service savings within the parameters set forth in said Section 34177.5 by the issuance pursuant to the Redevelopment Law, the Dissolution Act and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Redevelopment Tax Allocation Refunding Bonds, 2020 Series A (the “2020 Series A Bonds”) in order to refund, on a current basis, all of the outstanding 2010 Bonds (the “Prior Bonds”) pursuant to the 2005 Bond Indenture, as supplemented and amended by the First Supplemental Indenture, Second Supplemental Indenture and this Third Supplemental Indenture (collectively, the “Indenture”); and

8. Section 3.05 of the 2016 Indenture authorizes the issuance of bonds to refund the Prior Bonds on a senior basis to the 2016 Bonds; and

9. Debt service on the 2020 Series A Bonds will be payable on a senior basis to the debt service on the 2016 Bonds; and

10. The Successor Agency has certified that all acts and proceedings required by law necessary to make the 2020 Series A Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

AGREEMENT:

In order to secure the payment of the principal of and the interest on all the Outstanding 2020 Series A Bonds under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2020 Series A Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2020 Series A Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the 2020 Series A Bonds, as follows:

SECTION 1. Purpose of this Third Supplemental Indenture. This Third Supplemental Indenture constitutes a Supplemental Indenture under and as defined in the Indenture. The purpose of this Third Supplemental Indenture is to authorize the issuance of the 2020 Series A Bonds as Parity Bonds under Section 3.05 of the Indenture.

SECTION 2. Supplemental Provisions of Indenture. In accordance with Sections 3.05 and 7.01(c) of the Indenture, the Indenture is hereby amended by adding thereto new Articles XII, XIII, XIV and XV reading in its entirety as follows, and which is hereby incorporated into the Indenture.

ARTICLE XII

ISSUANCE OF 2020 SERIES A BONDS

SECTION 12.01. *Definitions.* The capitalized terms defined in Section 1.01 of this Indenture have the respective meanings given them in Section 1.02 when used in this Article, except in the case of capitalized terms which are otherwise defined in this Section 12.01. For all purposes of this Article the following terms have the following defined meanings:

“Article” means this Article XII and XIII of this Indenture.

“Closing Date” means September 3, 2020, being the date on which the 2020 Series A Bonds are delivered by the Successor Agency to the Original Purchaser.

“Continuing Disclosure Certificate” means, with respect to the 2020 Series A Bonds, that certain Continuing Disclosure Certificate relating to the 2020 Series A Bonds executed by the Successor Agency and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2020 Series A Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel,

including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; and any other cost, charge or fee in connection with the original issuance of the 2020 Series A Bonds.

"Dissolution Act" means the provisions of Assembly Bill X1 26, signed by the Governor June 28, 2011, and filed with the Secretary of State June 29, 2011, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484, signed by the Governor on June 27, 2012, and filed with the Secretary of State on June 27, 2012 and as further amended by Senate Bill 107, signed by the Governor on September 22, 2015, and filed with the Secretary of State on September 22, 2015.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"Former Agency" means the Stanton Redevelopment Agency.

"Indenture" means the 2005 Bond Indenture, as heretofore supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplemental Indenture, and as it may be further supplemented or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"Information Services" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Successor Agency may designate in a certificate delivered to the Trustee.

"Interest Payment Date" means December 1, 2020, and each June 1 and December 1 thereafter so long as any of the 2020 Series A Bonds remain unpaid.

"Irrevocable Refunding Instructions" means the Irrevocable Refunding Instructions dated _____ 1, 2020 by and between the Successor Agency and the Prior Trustee.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2020 Series A Bonds upon the negotiated sale thereof.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.
- (c) Obligations of any agency, department or instrumentality of the United States of America which are rated A or better by S&P.
- (d) Interest-bearing deposit accounts (including certificates of deposit) in federal or State of California chartered savings and loan associations or in federal or State of California banks (including the Trustee and its affiliates), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (e) Commercial paper rated “A-1+” or better by S&P at the time of the purchase thereof.
- (f) Federal funds or bankers acceptances with a maximum term of one year of any bank which have an unsecured, uninsured and unguaranteed obligation rating of “A-1+” or better by S&P.
- (g) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAM-G, AAAM or AAM, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services.
- (h) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (i) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P.
- (j) Bonds or notes issued by any state or municipality which are rated A or better by S&P.
- (k) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event either of such ratings at any time falls below A.

- (l) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“Prior Bonds” shall have the meaning presented to such term in the recitals hereto.

“Prior Trustee” means The Bank of New York Mellon Trust Company, N.A.

“Redevelopment Property Tax Trust Fund” means the fund by that name established pursuant to California Health and Safety Code Sections 34170.5(a) and 34172(c) and administered by the County auditor-controller.

“Request of the Successor Agency” means a request provided in writing by an authorized officer of the Successor Agency.

“Securities Depositories” means (a) initially, DTC, and (b) any successor in interest or assignee thereto.

“Subordinate Bonds” means the 2016 Bonds.

“Tax Revenues” is defined in Section 1.01 of the 2005 Bond Indenture to mean all taxes annually allocated to the Former Agency with respect to the Project Area under the Redevelopment Law, in effect prior to the enactment of the Dissolution Act, and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, including all other payments, subventions and reimbursements (if any) to the Former Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations; provided, however, that Tax Revenues shall not include:

- (a) all amounts of such taxes required to be deposited into the Low and Moderate Housing Fund of the Former Agency in any Fiscal Year pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, except to the extent permitted under the Law to be applied to the payment of the principal of an interest and premium (if any) on any Parity Bonds;
- (b) all amounts payable (except to the extent subordinated to the Bonds) by the Former Agency to affected tax agencies pursuant to the Tax Sharing Agreements;
- (c) all amounts payable by the Former Agency pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, to the extent not subordinated to the payment of principal of and interest on the Bonds; and
- (d) amounts of such taxes which are required to pay the 1993 Debt Service in such Bond Year.

Since, pursuant to the Dissolution Act, such taxes are not required to be deposited in the Low and Moderate Income Housing Fund but pursuant to the Dissolution Act are deposited in the Redevelopment Property Tax Trust Fund and there are no outstanding bonds secured by such revenues, Tax Revenues shall include such amounts. Additionally, since the 1993 Debt

Service is no longer payable, any amounts previously excluded to pay such debt service shall be deposited in the Redevelopment Property Tax Trust Fund and Tax Revenues shall include such amounts.

“2005 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2010 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2010 Series A Bonds Refunding Fund” means the fund by such name established pursuant to the Irrevocable Refunding Instructions.

“2016 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2020 Series A Bonds” means the Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A, issued by the Successor Agency in the aggregate principal amount of \$_____ under Section 12.03.

“2020 Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 12.10.

“2020 Term Bonds” means the 2020 Bonds maturing on December 1 in each of the years ____ and _____. Such 2020 Bonds shall constitute “Term Bonds” for all purposes of this Indenture, subject to the provisions of Section 12.04.

SECTION 12.02. *Authorization and Purpose of 2020 Series A Bonds.* The Successor Agency hereby authorizes the issuance of 2020 Series A Bonds in the aggregate principal amount of \$_____ under the Redevelopment Law for the purpose of providing funds to refund the Prior Bonds. The 2020 Series A Bonds are authorized and issued under, and are subject to the terms of, this Indenture including the terms set forth in this Article. The 2020 Series A Bonds are designated the “Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A”. The Successor Agency shall execute and deliver the 2020 Series A Bonds to the Trustee and the Trustee shall authenticate and deliver the 2020 Series A Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

The 2020 Series A Bonds constitute Parity Bonds under this Indenture. All references in this Indenture to the Bonds shall apply with full force and effect to the 2020 Series A Bonds, to the extent set forth in Section 3.05.

SECTION 12.03. *Terms of the 2020 Series A Bonds.* The 2020 Series A Bonds are issuable in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2020 Series A Bonds has more than one maturity date. The 2020 Series A Bonds will be dated as of the Closing Date, and will mature on December 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum, as set forth in the following table:

Maturity Date
(December 1)

Principal
Amount

Interest
Rate

Interest on the 2020 Series A Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a 2020 Series A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a 2020 Series A Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on any 2020 Series A Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full.

Interest on the Bonds shall be payable semi annually calculated based on a 360-day year of twelve thirty day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the Owner at the address of such Owner as its appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

SECTION 12.04. *Redemption of 2020 Series A Bonds.*

(a) Optional Redemption. The 2020 Series A Bonds maturing on or before December 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2020 Series A Bonds maturing on or after December 1, 20__, are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20__, from any available source of funds, at a redemption price equal to 100% of the principal amount of the 2020 Series A Bonds to be redeemed, without premium.

The Successor Agency shall give the Trustee written notice of its intention to redeem 2020 Series A Bonds under this subsection (a), and the manner of selecting such 2020 Series A

Bonds for redemption from among the maturities thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with subsection (c) of this Section.

(b) Mandatory Sinking Fund Redemption. The 2020 Series A Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of the 2020 Series A Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the 2020 Series A Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

**Term Bonds Maturing
December 1, 20__**

**Sinking Account
Redemption Date
(December 1)**

**Principal Amount
to be Redeemed**

**Term Bonds Maturing
December 1, 20__**

**Sinking Account
Redemption Date
(December 1)**

**Principal Amount
to be Redeemed**

(c) Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail) notice of any redemption to the Owners of any 2020 Series A Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such 2020 Series A Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the 2020 Series A Bond numbers and the maturity or maturities (in the event of redemption of all of the 2020 Series A Bonds of such maturity or maturities in whole) of the 2020 Series A Bonds to be redeemed, and must require that such 2020 Series A Bonds be then surrendered for redemption at the Office of the Trustee identified in such notice, giving notice also that further interest on such 2020 Series A Bonds will not accrue from and after the redemption date. In addition, the redemption notice shall state that the Successor Agency has the right to rescind the notice as provided in subsection (d) of this Section.

(d) Right to Rescind Notice of Redemption. The Successor Agency has the right to rescind any notice of the optional redemption of 2020 Series A Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2020 Series A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services.

(e) Manner of Redemption. Whenever provision is made in this Section 12.05 for the redemption of less than all of the 2020 Series A Bonds of the same maturity, the Trustee shall select the 2020 Series A Bonds to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purposes of such selection, all 2020 Series A Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate 2020 Series A Bonds which may be separately redeemed.

So long as the 2020 Series A Bonds are registered in book-entry-only form and so long as the Depository or a successor securities depository is the sole registered Owner of the 2020 Series A Bonds, partial redemptions will be done in accordance with procedures of the Depository. It is the Successor Agency's intent that redemption allocations made by the Depository be made in accordance with the proportional provisions described herein. However, neither the Successor Agency nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the Successor Agency nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered 2020 Series A Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

(f) Partial Redemption of 2020 Series A Bonds. If only a portion of any 2020 Series A Bond is called for redemption, then upon surrender of such 2020 Series A Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2020 Series A Bond or 2020 Series A Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2020 Series A Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the 2020 Series A Bonds so called for redemption have been duly provided, such 2020 Series A Bonds so called shall cease to be entitled to any benefit under this Article other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. Unless otherwise directed in writing by the Successor Agency, the Trustee shall cancel and destroy all 2020 Series A Bonds redeemed under this Section 12.05. The provisions of this subsection (f) are of no effect in the

event any notice of the optional redemption of 2020 Series A Bonds is rescinded as provided in subsection (d) of this Section.

(h) Purchase in Lieu of Redemption. In lieu of redemption of 2020 Series A Bonds as provided in this Section 12.05, amounts held by the Trustee for such redemption shall, at the Request of the Successor Agency received by the Trustee prior to the selection of 2020 Series A Bonds for redemption, be applied by the Trustee to the purchase of 2020 Series A Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Successor Agency may in its discretion direct, but not to exceed the redemption price which would be payable if such 2020 Series A Bonds were redeemed. The aggregate principal amount of 2020 Series A Bonds of the same maturity purchased in lieu of redemption under this subsection (h) may not exceed the aggregate principal amount of 2020 Series A Bonds of such maturity which would otherwise be subject to such redemption. Any 2020 Series A Bonds so purchased in lieu of redemption shall be treated as if such 2020 Series A Bonds were redeemed, for all purposes of this Indenture.

SECTION 12.05. *Book Entry System.*

(a) Original Delivery. The 2020 Series A Bonds shall be initially delivered in the form of a separate single fully registered 2020 Series A Bonds Bond (which may be typewritten) for each maturity of the 2020 Series A Bonds. Upon initial delivery, the ownership of each such 2020 Series A Bonds Bond shall be registered on the Bond Registration Books maintained by the Trustee pursuant to Section 2.08 hereof in the name of the Nominee.

Except as provided in subsection (c), the ownership of all of the Outstanding 2020 Series A Bonds shall be registered in the name of the Nominee on such Bond Registration Books.

With respect to 2020 Series A Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Successor Agency holds an interest in the 2020 Series A Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the 2020 Series A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the 2020 Series A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the 2020 Series A Bonds to be redeemed in the event the Successor Agency elects to redeem the 2020 Series A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the 2020 Series A Bonds or (v) any consent given or other action taken by the Depository as Bond Owner. The Successor Agency and the Trustee may treat and consider the person in whose name each 2020 Series A Bonds Bond is registered as the absolute owner of such 2020 Series A Bonds Bond for the purpose of payment of principal, premium, if any, and interest represented by such 2020 Series A Bonds Bond, for the purpose of giving notices of redemption and other matters with respect to such 2020 Series A Bonds Bond, for the purpose of registering transfers

of ownership of such 2020 Series A Bonds Bond, and for all other purposes whatsoever. The Trustee shall pay the principal, interest and premium, if any, represented by the 2020 Series A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, interest and premium, if any, represented by the 2020 Series A Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a 2020 Series A Bonds Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the 2020 Series A Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the 2020 Series A Bonds . The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the 2020 Series A Bonds other than the Bond Owners. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the 2020 Series A Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the 2020 Series A Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the execution of replacement 2020 Series A Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the 2020 Series A Bonds, and by surrendering the 2020 Series A Bonds , registered in the name of the Nominee, to the Trustee on or before the date such replacement 2020 Series A Bonds are to be issued. The Depository, by accepting delivery of the 2020 Series A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the 2020 Series A Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging 2020 Series A Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the 2020 Series A Bonds that they be able to obtain certificated 2020 Series A Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated 2020 Series A Bonds through the Depository. In such event, the Trustee will execute, transfer and exchange 2020 Series A Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the 2020 Series A Bonds to any

Depository System Participant having 2020 Series A Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such 2020 Series A Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any 2020 Series A Bond is registered in the name of the Nominee, all payments with respect to principal, interest and premium, if any, represented by such 2020 Series A Bonds Bond and all notices with respect to such 2020 Series A Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository..

SECTION 12.06. *Form and Execution of 2020 Series A Bonds.* The 2020 Series A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Exhibit D attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Article.

The Chairman of the Successor Agency shall execute, and the Secretary of the Successor Agency shall attest each 2020 Series A Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2020 Series A Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2020 Series A Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2020 Series A Bond are the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such 2020 Series A Bond any such person was not an officer of the Successor Agency.

Only those 2020 Series A Bonds bearing a certificate of authentication in the form set forth in Appendix A hereto, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such 2020 Series A Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 12.07. *Transfer and Exchange of 2020 Series A Bonds.*

(a) Transfer. Any 2020 Series A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2020 Series A Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any 2020 Series A Bonds under this Section 12.07. Whenever any 2020 Series A Bond is surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver to the transferee a new 2020 Series A Bond or Bonds of like interest rate, maturity and aggregate principal amount. The Successor Agency shall pay the cost of printing 2020 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of 2020 Series A Bonds.

(b) Exchange. The 2020 Series A Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2020 Series A Bonds of other authorized denominations and of the same interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any 2020 Series A Bonds under this subsection (b). The Successor Agency shall pay the cost of printing 2020 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of 2020 Series A Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 12.07, any 2020 Series A Bonds selected by the Trustee for redemption in accordance with Section 12.04, or any 2020 Series A Bonds during the period established by the Trustee for the selection of 2020 Series A Bonds for redemption.

SECTION 12.08. *Deposit and Application of Proceeds*. On the Closing Date, the Trustee shall apply the proceeds of the 2020 Series A Bonds in the amounts and for the respective purposes, as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the 2020 Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$_____, constituting the remainder of such proceeds, in the 2010 Series A Bonds Redemption Fund and applied in accordance with the provisions of the Irrevocable Refunding Instructions.

The Trustee may establish such temporary funds or accounts in its records as it deems appropriate to facilitate and record any of the foregoing deposits and transfers.

SECTION 12.09. *2020 Costs of Issuance Fund*. There is hereby established a separate fund to be known as the “2020 Costs of Issuance Fund”, to be held by the Trustee in trust. The Trustee shall disburse moneys in the 2020 Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the 2020 Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. Each such Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. On December 1, 2020, the Trustee shall transfer any amounts remaining in the 2020 Costs of Issuance Fund to the Redevelopment Property Tax Trust Fund.

SECTION 12.10. *Security for 2020 Series A Bonds*. The 2020 Series A Bonds shall be Parity Bonds which are secured in the manner and to the extent set forth in Article IV and the Redevelopment Law. The 2020 Series A Bonds shall be entitled to all of the benefits of this Indenture without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others. The 2020 Series A Bonds constitute “Bonds” for all purposes of Article IV relating to the deposit and application of amounts in the Debt Service Fund and the

accounts therein for the payment when due of the principal of and interest on the 2020 Series A Bonds.

SECTION 12.11. *Investment of Moneys in Funds.* The Trustee shall invest moneys in the funds and accounts established under this Article XII in Permitted Investments defined in Section 12.01, as specified in the Request of the Successor Agency (which Request shall be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such direction from the Successor Agency, the Trustee shall invest any such moneys solely in Permitted Investments described in clause (g) of the definition thereof; *provided, however*, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee has received a Request of the Successor Agency designating a specific money market fund and, if no such Request of the Successor Agency is so received, the Trustee shall hold such moneys uninvested.

SECTION 12.12. *Continuing Disclosure.* The Successor Agency will comply with and carry out all of the provisions of the Continuing Disclosure Certificate which has been executed and delivered by the Successor Agency on the Closing Date. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however*, that any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the 2020 Series A Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 12.12.

SECTION 12.13. *Security Interest Representations.* Section 33641.5 of the Redevelopment Law provides statutory authority for pledging collateral for the payment of principal or redemption price of, and interest on, any bonds, and Section 33641.5 of the Redevelopment Law creates a continuing perfected security interest which attaches immediately to such collateral and shall be effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth in Section 33641.5, and in accordance with the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

In addition, Section 5451 of the Government Code of the State of California provides that the collateral is immediately subject to the pledge, and the pledge constitutes a lien and security interest which immediately attaches to the collateral and is effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

Based on the foregoing provisions of California law, the Successor Agency hereby warrants and represents that the Owners have a first priority perfected security interest in the Tax Revenues and other moneys that serve as collateral for the 2020 Series A Bonds in accordance with this Indenture.

SECTION 12.14. *Further Assurances.* The Successor Agency shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Article, and for the better assuring and confirming unto the 2020 Series A Bond Owners the rights and benefits provided in this Indenture and this Article.

SECTION 12.15. *Application of this Indenture to 2020 Series A Bonds.* Except as in this Article expressly provided or except to the extent inconsistent with any provision of this Article, the 2020 Series A Bonds shall be deemed to be Bonds under and within the meaning of Section 1.01, and every term and condition contained in the foregoing provisions of this Indenture shall apply to the 2020 Series A Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article. Notwithstanding the foregoing, however, the 2020 Series A Bonds shall not be deemed to be Bonds for purposes of Article II or Sections 3.01, 3.02, 3.03, 3.04, 5.11, 5.12, 5.13 and 5.14 of this Indenture.

ARTICLE XIII

AMENDMENT OF 2005 BOND INDENTURE

SECTION 13.01. *Security for 2020 Series A Bonds.* The 2020 Series A Bonds shall be Parity Debt within the meaning of such term in Section 1.01 and shall be secured in the manner and to the extent set forth in Article IV of the 2005 Bond Indenture. The Indenture, the 2020 Series A Bonds shall be secured on a parity with all other Bonds issued under the Indenture, by a first pledge of and lien on all of the Tax Revenues in the Special Fund and any other Parity Debt hereafter. The 2020 Series A Bonds shall be also equally secured by the pledge and lien created with respect to the 2020 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, provided, however, that such pledge and lien shall only be with respect to the amounts on deposit in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay amounts due pursuant to tax sharing agreements, owner participation agreements, development agreements and other similar agreements that are senior to the payment of the debt service on the 2020 Series A Bonds. For the avoidance of doubt, the 2020 Series A Bonds are secured by the pledge and lien created with respect to the 2020 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund to the extent set forth in the foregoing sentence on a parity basis with all refunding bonds issued by the Successor Agency, unless otherwise specified in connection with the issuance of such refunding bonds. Additionally, the Subordinate Bonds are also payable from monies on deposit in the Redevelopment Property Tax Trust Funds on a subordinate basis to the 2020 Series A Bonds and any Parity Debt.

The Successor Agency further covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds, including the 2020 Series A Bonds, on the date, at the place and in the manner provided in the Bonds. The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the

Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the 2020 Series A Bonds and any Parity Debt, all amounts required to be deposited in the Special Fund pursuant to and in accordance with Section 4.02 of the Indenture, as well as any amount required to replenish the Reserve Account and subaccounts thereunder established under the Indenture, in Recognized Obligation Payment Schedules for each twelve-month period so as to enable the Orange County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund on each January 2 and June 1 all amounts required to be deposited in the Special Fund (pursuant to and in accordance with Section 4.02 of the Indenture), which amounts will be used to pay debt service on the Bonds, including the 2020 Series A Bonds. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and California Department of Finance the amounts to be held by the Successor Agency in the Special Fund, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the California Health and Safety Code, that are necessary to comply with the Indenture.

The Successor Agency also covenants to calculate the amount of Tax Revenues received during each twelve-month period, as described above, to ensure that Tax Revenues are properly credited to and deposited in the Special Fund, as required by Section 4.02 of the Indenture.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2020 Series A Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one half of debt service due during each Bond Year on all Outstanding Bonds prior to June 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding December 1.

Notwithstanding anything contained in the Indenture, the Successor Agency shall not issue or incur additional Parity Debt other than Parity Debt issued or incurred solely for the purpose of refunding the 2020 Series A Bonds or any Parity Debt. The Successor Agency may incur Subordinate Debt.

SECTION 13.02. *Maintenance of Tax Revenues.* The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the 2020 Bonds, the Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of

the State of California. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the 2020 Bonds, and any Parity Debt when due.

SECTION 13.03. *Compliance with the Law; Recognized Obligation Payment Schedules.*

(a) The Successor Agency will take all actions required under the Dissolution Act to file a Recognized Obligation Payment Schedule by February 1 in each year, commencing February 1, 2021, in accordance with Section 34177(0) of the Redevelopment Law. Each such Recognized Obligation Payment Schedule for the semi-annual period ending each June 30 shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

- (1) 100% of the amount of principal of and interest on the 2020 Bonds coming due and payable on the next succeeding June 1 and December 1,
- (2) 100% of the amount of interest on the Subordinate Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding June 1,
- (3) 100% of the amount of principal on the Subordinate Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding December 1,
- (4) any amount then required to replenish the full amount of the Reserve Requirements in the Reserve Accounts for the Subordinate Bonds; and
- (5) any amount then required to make payments due to the Bond Insurer in respect of any policy or reserve policy for the Subordinate Bonds.

(b) These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following six-month period.

ARTICLE XIV

COVENANTS OF THE SUCCESSOR AGENCY

SECTION 14.01. *Effect of this Article XIV.* The covenants set forth in this Article XIV shall supersede the covenants set forth in Section 5 of the 2005 Bond Indenture, First Supplemental Indenture and Second Supplemental Indenture.

SECTION 14.02. *Punctual Payment.* The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Series 2020 Series A Bonds and Parity Debt in strict conformity with the terms of the Series 2020 Series A Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

SECTION 14.03. *Extension of Payment of Series 2020 Series A Bonds.* The Successor Agency shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2020 Series A Bonds or the time of payment of any claims for interest by the purchase of such Series 2020 Series A Bonds or by any other arrangement, and in case the maturity of any of the Series 2020 Series A Bonds or the time of payment of any such claims for interest shall be extended, such Series 2020 Series A Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Series 2020 Series A Bonds and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Successor Agency to issue bonds for the purpose of refunding any Outstanding Series 2020 Series A Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Series 2020 Series A Bonds.

SECTION 14.04. *Payment of Claims.* The Successor Agency shall pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or any part thereof, or upon any funds held by the Trustee pursuant hereto, or which might impair the security of the Series 2020 Series A Bonds or any Parity Debt. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

SECTION 14.05. *Books and Accounts; Financial Statements.* The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City of Stanton, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Tax Revenues and the Redevelopment Obligation Retirement Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2020 Series A Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared and delivered to the Trustee and the Insurer annually, within two hundred and ten (210) days after the close of each Fiscal Year so long as any of the Series 2020 Series A Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Tax Revenues, all disbursements from the Redevelopment Obligation Retirement Fund and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall furnish

a copy of such statements to any Owner upon reasonable request and at the expense of such Owner.

SECTION 14.06. *Payments of Taxes and Other Charges.* The Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof.

SECTION 14.07. *Disposition of Property.* Except as otherwise required by the Dissolution Act, the Successor Agency will not participate in the disposition of any land or real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of this Indenture) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Fiscal Consultant to report on the effect of said proposed disposition. If the report of the Independent Fiscal Consultant concludes that the security of the Bonds or the rights of the Owners will not be materially adversely impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If such report concludes that such security will be materially adversely impaired by the proposed disposition, the Successor Agency shall not approve the proposed disposition.

SECTION 14.08. *Maintenance of Tax Revenues.* The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Redevelopment Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the Series 2020 Series A Bonds, amounts owing to the Insurer hereunder, and any Parity Debt when due.

SECTION 14.09. *Tax Covenants Relating to the 2020 Series A Bonds.*

(a) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2020 Series A Bonds are not so used as to cause 2020 Series A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2020 Series A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2020 Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the 2020 Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2020 Series A Bonds from the gross income of the Owners of the 2020 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. This covenant shall remain in full force and effect following defeasance of 2020 Series A Bonds pursuant to Section 9.03.

(e) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2020 Series A Bonds.

The Trustee shall have no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section 5.10.

SECTION 14.10. *Notice of Insufficiency.* The Successor Agency covenants that it will, on or before May 1 and December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund on the upcoming July 1 or January 2, as applicable, is insufficient to pay debt service on the 2020 Series A Bonds, to pay debt service on any Parity Bonds and to deposit into the Reserve Account an amount required in order to maintain in the Reserve Account the amount of the Reserve Requirement.

SECTION 14.11. *Further Assurances.* The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners the rights and benefits provided in this Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

SECTION 15.01. *Benefits Limited to Parties.* Nothing in this Third Supplemental Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee and the Owners of the 2020 Series A Bonds, any right, remedy, claim under or by reason of this Third Supplemental Indenture. Any covenants, stipulations, promises or agreements in this Third Supplemental Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners of the 2020 Series A Bonds.

SECTION 15.02. *Reliance on Facsimiles.* The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 15.03. *Execution in Counterparts.* This Third Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15.04. *Governing Law.* This Third Supplemental Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 15.05. *Partial Invalidity.* If any Section, paragraph, sentence, clause or phrase of this Third Supplemental Indenture is for any reason held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Third Supplemental Indenture. The Successor Agency hereby declares that it would have entered into this Third Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2020 Series A Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Third Supplemental Indenture may be held illegal, invalid or unenforceable.

SECTION 15.06. *Execution in Counterparts.* This Third Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15.07. *Effect of Amendment.* In the event of any contradicting provisions between this Third Supplemental Indenture, and the 2005 Bond Indenture, First Supplemental Indenture and the Second Supplemental Indenture, the provisions of this Third Supplemental Indenture shall govern.

(Signature page follows)

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY has caused this Third Supplemental Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Third Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

*-Signature Page-
Third Supplement to
Indenture of Trust*

APPENDIX A

**EXHIBIT D TO INDENTURE
FORM OF 2020 SERIES A BOND**

No. _____

\$_____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY**

TAX ALLOCATION REFUNDING BOND, 2020 SERIES A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
____%	December 1, 20__	_____, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), as successor to the Stanton Redevelopment Agency (the "Former Agency") for value received, hereby promises to pay (but only out of the Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money, such interest to be payable semiannually on June 1 and December 1 in each year, commencing [December 1, 2020] (the "Interest Payment Dates") until payment of such Principal Amount in full. Interest on this Bond is payable from the Interest Payment Date next preceding the date of authentication of this Bond, unless: (a) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th calendar day of the preceding month (a "Record Date"), in which event it will bear interest from such Interest Payment Date, (b) this Bond is authenticated on or before [November 15, 2020], in which event interest hereon will be payable from the Original Issue Date identified above, or (c) interest on this Bond is in default as of the date of authentication hereof, in which event interest hereon will be payable from the date to which interest has been paid in full.

The Principal Amount hereof is payable upon presentation hereof at the corporate office of U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"), in Los Angeles, California or such other place as designated by the Trustee. Interest hereon is payable by check

of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the Request of the owner of at least \$1,000,000 aggregate principal amount of Bonds which Request is on file with the Trustee prior to the Record Date immediately preceding any date, interest on such Bonds shall be paid on such Interest Payment Date by wire transfer to such account within the United States of America as shall be specified in such Request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the “Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A” (the “Bonds”) of an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued under the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 33000 of said Code (the “Redevelopment Law”). The Bonds have been authorized under an Indenture of Trust dated as of July 1, 2005, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as amended and supplemented (as so amended and supplemented, the “Indenture”). The Bonds have been authorized to be issued by the Successor Agency under a resolution of the Successor Agency adopted on March 24, 2020. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Redevelopment Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Tax Revenues. The Successor Agency may issue additional obligations on a parity with the Bonds under and in accordance with the Indenture to refund the Bonds and other parity debt by the First Supplement to the Indenture of Trust dated as of October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., the Second Supplement to the Indenture of Trust dated as of March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A. and the Third Supplement to the Indenture of Trust dated as of September 1, 2020 by and between the Successor Agency and U.S. Bank National Association. As and to the extent set forth in the Indenture, all of the Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, the Redevelopment Law and the Dissolution Act, to the payment of the principal of and interest on the Bonds and any such parity obligations. Notwithstanding the foregoing, certain amounts out of Tax Revenues may be applied for other purposes as provided in the Indenture.

This Bond is not a debt of the City of Stanton, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on or before December 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after December 1, 20__, are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20__, from any available source of funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium.

The Bonds maturing on December 1 in each of the years ____ and ____ are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of such Bonds have been redeemed under the optional redemption provisions described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

**Term Bonds Maturing
December 1, 20__**

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
---	--

**Term Bonds Maturing
December 1, 20__**

Sinking Account Redemption Date (December 1)	Principal Amount to be Redeemed
---	--

As provided in the Indenture, the Trustee is required to mail notice of redemption of any Bonds by first class mail, postage prepaid, not less than 30 nor more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon. Any notice so given by the Trustee may be rescinded under the circumstances and with the effect set forth in the

Indenture. If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest hereon will cease to accrue from and after the date fixed for redemption.

If an Event of Default occurs under and as defined in the Indenture, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate Office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the Redevelopment Laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of

Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not entitled to any benefit under the Indenture and is not valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman and its facsimile seal impressed hereon and

attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

By: _____
Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

_____ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

IRREVOCABLE REFUNDING INSTRUCTIONS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these “Instructions”), dated as of September 1, 2020, are given by the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), as successor agency to the STANTON REDEVELOPMENT AGENCY (the “Former Agency”), to U.S. BANK NATIONAL ASSOCIATION, as successor trustee to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee (the “Trustee”) for the hereinafter defined Prior Bonds;

WITNESSETH:

WHEREAS, the Former Agency has previously issued the following tax allocation bonds:

(a) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds in the aggregate original principal amount of \$16,500,000 (the “2005 Series A Bonds”) under the Indenture of Trust dated as of July 1, 2005 (the “2005 Bond Indenture”) between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

(b) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds in the aggregate original principal amount of \$10,000,000 (the “2005 Series B Bonds,” collectively with the 2005 Series A Bonds, the “2005 Bonds”) under the 2005 Bond Indenture;

(c) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A in the aggregate principal amount of \$25,280,000 (the “2010 Bonds”) under the 2005 Bond Indenture, as supplemented by a First Supplement to Indenture of Trust dated as of October 1, 2010 (the “First Supplemental Indenture”); and

(d) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B in the aggregate principal amount of \$12,480,000 (the “2011 Bonds”), under the 2005 Bond Indenture, as supplemented by the First Supplement to Indenture of Trust dated as of October 1, 2010, and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the “Second Supplemental Indenture,” collectively with the 2005 Bond Indenture and the First Supplemental Indenture, the “Indenture”); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (“AB 26”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5 of the California Health and Safety Code authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the “2016 Series A Bonds”) and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the “2016 Series B Bonds”) pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee in order to refund the 2005 Bonds; and

WHEREAS, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the “Series 2016C Bonds”) and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the “Series 2016D Bonds,” collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the “2016 Bonds”) in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, the outstanding 2010 Bonds (the “Prior Bonds”); and

WHEREAS, in order to provide funds for such purpose, the Successor Agency is issuing Stanton Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2020 Series A (the “2020 Series A Bonds”) and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem the outstanding Prior Bonds; and

WHEREAS, the 2020 Series A Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2020, (the “2020 Indenture”) between the Successor Agency and U.S. Bank National Association, as successor trustee; and

WHEREAS, the Successor Agency wishes to give these Instructions to the Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of a portion of the outstanding Prior Bonds.

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Trustee as follows:

Section 1. Establishment of the Prior Refunding Fund. The Trustee shall establish and hold, separate and apart from all other funds and accounts held by it, a special fund known as the “2010 Series A Bonds Refunding Fund” (the “Refunding Fund”). All amounts on deposit in the Refunding Fund are hereby irrevocably pledged as a special trust fund for the redemption of

the outstanding Prior Bonds, as identified in Schedule 1 attached hereto, on _____, 2020. Neither the Trustee nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Refunding Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the Prior Bonds Refunding Fund; Investment of Amounts.

Concurrently with delivery of the 2020 Series A Bonds, the Successor Agency shall cause to be deposited in the Refunding Fund the amount of \$_____ in immediately available funds which represents \$_____ on hand in the funds and accounts relating to the Prior Bonds and \$_____ of 2020 Series A Bonds proceeds. The Successor Agency hereby directs the Trustee to hold all amounts as uninvested cash.

The Successor Agency signifies that by making the deposit described herein, it is discharging a portion of the outstanding Prior Bonds pursuant to Sections 9.03 of the Indenture.

Section 3. Proceedings for Redemption of Prior Bonds. The Successor Agency hereby irrevocably elects, and directs the Trustee, to redeem, on _____ 1, 2020, from amounts on deposit in the Refunding Fund, the outstanding Prior Bonds pursuant to the provisions of the Indenture. The Trustee acknowledges it has given notice of such redemption in accordance with the Indenture, and in substantially similar form as set forth in Exhibit A attached hereto, in order to allow for the redemption of the Prior Bonds on _____ 1, 2020.

Section 4. Application of Funds to Redeem 2005 Series B Bonds. The Trustee shall apply the amounts on deposit in the Refunding Fund to redeem the outstanding Prior Bonds, as identified in Schedule 1 attached hereto, on _____ 1, 2020 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the Indenture.

Section 5. Transfer of Remaining Funds. Any amounts on deposit in the Refunding Fund shall be used for the purpose of paying interest on and the principal of any outstanding Prior Bonds pursuant to the Indenture. Any amounts on deposit in the Refunding Fund or any other funds and accounts related to the Prior Bonds following redemption or defeasance of the Outstanding Prior Bonds shall be transferred to the Interest Account established under the Indenture to be used solely for the purpose of paying interest on the 2020 Series A Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Prior Bonds or the 2020 Series A Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the Indenture. All of the terms of the Indenture relating to the payment of principal of and interest and repayment premium, if any, on the 2005 Series B Bonds and the redemption thereof, and the protections, immunities and

limitations from liability afforded the Trustee, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

[Signature page follows]

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE STANTON
REDEVELOPMENT AGENCY**

By: _____
David J. Shawver
Chairman

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as successor trustee

By: _____
Authorized Officer

*-Signature Page-
Irrevocable Refunding Instructions
Series B*

Schedule 1

BONDS TO BE REDEEMED

Maturity Date
(December 1)

Principal Amount

CUSIP
(Base CUSIP 854733)

Schedule-1

EXHIBIT A

**FORM OF NOTICE OF REDEMPTION
CONDITIONAL NOTICE OF OPTIONAL REDEMPTION**

**STANTON REDEVELOPMENT AGENCY
STANTON CONSOLIDATED REDEVELOPMENT PROJECT
TAX ALLOCATION BONDS, 2010 SERIES A**

Maturity Date (December 1)	<u>Interest Rate</u>	<u>Par Value</u>	<u>CUSIP</u>
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NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “**Bonds**”) of the Stanton Redevelopment Agency (the “**Agency**”) in accordance with that certain Indenture of Trust, dated as of July 1, 2005, by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as succeeded in interest by U.S. Bank National Association, as trustee (the “**Trustee**”), as amended and supplemented by the First Supplement to Indenture of Trust dated as of October 1, 2010 pursuant to which such Bonds were issued, that all of the outstanding 2010 Series A Bonds, in the principal amount

of \$_____ have been called for redemption on _____, 2020 (the “**Redemption Date**”), subject to the provisions of the succeeding paragraphs of this notice, and pursuant to the provisions of the governing documents of the Bonds.

This Conditional Notice of Optional Redemption, and the payment of the principal of and interest on the Bonds on the specified Redemption Date, is subject to the receipt of funds resulting from the sale of the Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A, which bonds are expected to be issued and delivered prior to the Redemption Date, in an amount sufficient to pay in full the redemption price and accrued interest of all of the Bonds on the Redemption Date.

In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this Conditional Notice of Optional Redemption had not been given. Notice of failure to receive funds, and cancellation of this redemption, shall be given by the Trustee by first class mail to the registered holders of the Bonds.

Owners of the Bonds should surrender said Bonds on the redemption date at the following address:

By Mail, Hand or Overnight:

Delivery Instructions:

U.S. Bank
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at **1-800-934-6802** Monday through Friday from 8 A.M. to 6 P.M. CST.

IMPORTANT NOTICE. Under the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (the “Act”), the Trustee may be obligated to withhold 30% of the redemption price from any Bond holder who has failed to furnish the Trustee with a valid taxpayer identification number and a certification that such Bond holder is not subject to backup withholding under the Act. Bond holders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

Neither the Successor Agency to the Stanton Redevelopment Agency nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its corrections indicated in this Conditional Notice of Optional Redemption. It is included solely for convenience of the owners of the Bonds.

DATED: _____, 2020

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

SOURCES AND USES OF FUNDS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Sources:

Bond Proceeds:

Par Amount	8,195,000.00
Premium	<u>1,515,980.95</u>
	9,710,980.95

Other Sources of Funds:

Debt Service Fund	673,959.40
Debt Service Reserve Fund	<u>1,134,906.00</u>
	1,808,865.40

11,519,846.35

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.77
SLGS Purchases	<u>11,300,497.00</u>
	11,300,497.77

Delivery Date Expenses:

Cost of Issuance	156,000.00
Underwriter's Discount	<u>61,462.50</u>
	217,462.50

Other Uses of Funds:

Additional Proceeds	1,886.08
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11,519,846.35

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Dated Date	09/03/2020
Delivery Date	09/03/2020
Arbitrage yield	2.315401%
Escrow yield	0.668902%
Value of Negative Arbitrage	45,055.33
Bond Par Amount	8,195,000.00
True Interest Cost	2.629243%
Net Interest Cost	2.936216%
Average Coupon	5.000000%
Average Life	8.600
Par amount of refunded bonds	11,085,000.00
Average coupon of refunded bonds	4.365686%
Average life of refunded bonds	8.056
PV of prior debt to 09/03/2020 @ 2.315401%	12,819,028.17
Net PV Savings	1,143,279.77
Percentage savings of refunded bonds	10.313755%
Percentage savings of refunding bonds	13.950943%

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

SAVINGS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/03/2020 @ 2.3154009%
12/01/2020	673,959.38	673,959.40	-0.02		-0.02	-3,781.98
12/01/2021	900,318.76		900,318.76	729,911.11	170,407.65	164,696.40
12/01/2022	909,006.26		909,006.26	738,750.00	170,256.26	161,876.43
12/01/2023	1,131,193.76		1,131,193.76	916,750.00	214,443.76	199,195.44
12/01/2024	1,127,593.76		1,127,593.76	915,000.00	212,593.76	192,974.64
12/01/2025	1,127,993.76		1,127,993.76	917,000.00	210,993.76	187,156.67
12/01/2026	1,132,193.76		1,132,193.76	917,500.00	214,693.76	186,095.41
12/01/2027	1,134,993.76		1,134,993.76	921,500.00	213,493.76	180,838.70
12/01/2028	1,130,343.76		1,130,343.76	918,750.00	211,593.76	175,142.52
12/01/2029	1,128,368.76		1,128,368.76	914,500.00	213,868.76	172,982.76
12/01/2030	1,134,906.26		1,134,906.26	923,750.00	211,156.26	166,890.98
12/01/2031	709,531.26		709,531.26	575,750.00	133,781.26	103,353.99
12/01/2032	713,400.00		713,400.00	578,250.00	135,150.00	102,018.53
12/01/2033	715,881.26		715,881.26	584,500.00	131,381.26	96,902.40
12/01/2034	716,975.00		716,975.00	584,250.00	132,725.00	95,649.91
12/01/2035	716,681.26		716,681.26	582,750.00	133,931.26	94,306.88
	15,103,340.76	673,959.40	14,429,381.36	11,718,911.11	2,710,470.25	2,276,299.69

Savings Summary

PV of savings from cash flow	2,276,299.69
Less: Prior funds on hand	-1,134,906.00
Plus: Refunding funds on hand	1,886.08
Net PV Savings	1,143,279.77

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

BOND PRICING

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Serial Bonds:								
	12/01/2021	220,000	5.000%	1.660%	104.094			
	12/01/2022	340,000	5.000%	1.720%	107.188			
	12/01/2023	535,000	5.000%	1.800%	110.038			
	12/01/2024	560,000	5.000%	1.850%	112.798			
	12/01/2025	590,000	5.000%	1.910%	115.347			
	12/01/2026	620,000	5.000%	2.030%	117.333			
	12/01/2027	655,000	5.000%	2.160%	118.947			
	12/01/2028	685,000	5.000%	2.280%	120.334			
	12/01/2029	715,000	5.000%	2.330%	122.086			
	12/01/2030	760,000	5.000%	2.380%	123.690			
	12/01/2031	450,000	5.000%	2.430%	123.179 C	2.608%	12/01/2030	100.000
	12/01/2032	475,000	5.000%	2.480%	122.670 C	2.800%	12/01/2030	100.000
	12/01/2033	505,000	5.000%	2.530%	122.163 C	2.964%	12/01/2030	100.000
	12/01/2034	530,000	5.000%	2.580%	121.659 C	3.106%	12/01/2030	100.000
	12/01/2035	555,000	5.000%	2.600%	121.459 C	3.209%	12/01/2030	100.000
		8,195,000						

Dated Date	09/03/2020	
Delivery Date	09/03/2020	
First Coupon	06/01/2021	
Par Amount	8,195,000.00	
Premium	1,515,980.95	
Production	9,710,980.95	118.498852%
Underwriter's Discount	-61,462.50	-0.750000%
Purchase Price	9,649,518.45	117.748852%
Accrued Interest		
Net Proceeds	9,649,518.45	

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

BOND DEBT SERVICE

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2021	220,000	5.000%	509,911.11	729,911.11
12/01/2022	340,000	5.000%	398,750.00	738,750.00
12/01/2023	535,000	5.000%	381,750.00	916,750.00
12/01/2024	560,000	5.000%	355,000.00	915,000.00
12/01/2025	590,000	5.000%	327,000.00	917,000.00
12/01/2026	620,000	5.000%	297,500.00	917,500.00
12/01/2027	655,000	5.000%	266,500.00	921,500.00
12/01/2028	685,000	5.000%	233,750.00	918,750.00
12/01/2029	715,000	5.000%	199,500.00	914,500.00
12/01/2030	760,000	5.000%	163,750.00	923,750.00
12/01/2031	450,000	5.000%	125,750.00	575,750.00
12/01/2032	475,000	5.000%	103,250.00	578,250.00
12/01/2033	505,000	5.000%	79,500.00	584,500.00
12/01/2034	530,000	5.000%	54,250.00	584,250.00
12/01/2035	555,000	5.000%	27,750.00	582,750.00
	8,195,000		3,523,911.11	11,718,911.11

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020

Interest Rates as of March 12, 2020

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax Allocation Bonds, 2010 Series A:					
SERIAL	12/01/2020	4.000%	440,000.00		
	12/01/2021	3.625%	450,000.00	12/01/2020	100.000
	12/01/2022	3.750%	475,000.00	12/01/2020	100.000
	12/01/2023	4.000%	715,000.00	12/01/2020	100.000
	12/01/2024	4.000%	740,000.00	12/01/2020	100.000
	12/01/2025	4.000%	770,000.00	12/01/2020	100.000
	12/01/2026	4.000%	805,000.00	12/01/2020	100.000
	12/01/2027	4.125%	840,000.00	12/01/2020	100.000
TERM03D	12/01/2030	4.250%	2,725,000.00	12/01/2020	100.000
TERM02A	12/01/2035	4.625%	3,125,000.00	12/01/2020	100.000
			11,085,000.00		

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

ESCROW REQUIREMENTS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2020	440,000.00	233,959.38	10,645,000.00	11,318,959.38
	440,000.00	233,959.38	10,645,000.00	11,318,959.38

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020

Interest Rates as of March 12, 2020

Orange Countywide Oversight Board

Agenda Item No. 7

Date: 4/21/2020

From: Successor Agency to the San Juan Capistrano Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Assignment of Parking Structure Agreements

Recommended Action:

Adopt a Resolution (Attachment 1) approving an Assignment and Assumption Agreement (Attachment 2) to assign all rights and obligations associated with operation of the San Juan Capistrano downtown parking structure from the Successor Agency to the City

EXECUTIVE SUMMARY:

In 1989, the private owner of a downtown parking structure in the City of San Juan Capistrano entered into a joint parking and maintenance agreement with the former Community Redevelopment Agency of the City of San Juan Capistrano to provide public parking in the structure through 2045. Redevelopment law in effect at that time required that a city, not redevelopment agency, act as the participating public agency in agreements that govern ongoing facility operations. To remedy this administrative error, staff recommends that the various agreements associated with operations of the parking structure be transferred from the Successor Agency to the City. It should be noted that although the agreements improperly identified the former Community Redevelopment Agency as manager of the parking structure, since inception the City, not the former Community Redevelopment Agency, has actually performed all operational functions of the facility, as provided by state law.

DISCUSSION/ANALYSIS:

In 1989, the Franciscan Plaza Investment Group (Owner) entered into a joint parking and maintenance agreement with the former Community Redevelopment Agency (Agency) to operate a parking structure in downtown San Juan Capistrano that was constructed by the Owner. Rights and obligations associated with this agreement and related agreements included the following:

1. Owner to set aside a portion of the parking structure for commuter parking;
2. Sharing of parking fees and operating expenses between the Agency and the Owner; and,
3. Agency lease payments to the Owner for commuter-designated parking.

Since commencement of parking structure operations, the City, rather than the Agency, has exercised the rights and obligations of all agreements associated with parking structure operations, receiving all related revenues and paying all expenses associated with the Agency agreements. This was done in recognition that redevelopment law prohibited redevelopment agency involvement in the ongoing operations of public facilities. The City recently discovered that the original documents associated with the parking structure incorrectly referenced the Agency as the participating public agency, despite the City's lawful management of the public's interest in the operations of the parking structure since its opening in 1990.

Staff recommends that the Oversight Board approve assignment of the Successor Agency's interests in these agreements to the City, consistent with the operation of redevelopment law that was in effect when the documents were first executed. This will allow the City, rather than the Successor Agency, to continue to pay the operating expenses of the parking structure, net of related operational revenue, as required by California redevelopment law. The parking structure operates on essentially a break-even basis, with some years generating a small operating loss and some years a small operating gain (both gains and losses typically netting to less than \$5,000 per year).

If the assignment is approved by all required parties, the Successor Agency will be dissolved in 2036, corresponding with the end date of the former Community Redevelopment Agency. At that time, all remaining obligations of the Successor Agency will have been paid off and tax increment can then be distributed to the taxing entities with no further deduction for Successor Agency operating costs. If the parking structure agreements are not assigned to the City, the Successor Agency will be required to extend its life to the termination date of the parking structure agreements, which expire in 2045, resulting in additional expenditures of City and California Department of Finance (DOF) funds to deal with the reporting and administrative requirements of the Successor Agency over its extended life, as well as diminished residual distributions to the taxing entities.

Should the Countywide Oversight Board approve the assignment, this matter will be presented to the California Department of Finance for consideration.

Impact on Taxing Entities

Assignment will provide a significant financial benefit to all of the taxing entities by avoiding additional outlays of administrative expenditures to operate the Successor Agency for nine additional years (through 2045) beyond the scheduled Successor Agency end date of 2036.

Attachments

- Attachment 1 – Resolution to Approve Assignment and Assumption Agreement
- Attachment 2 – Assignment and Assumption Agreement

RESOLUTION NO. 20- _____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY APPROVING AND RATIFYING THE APPROVAL BY THE SUCCESSOR AGENCY OF AN ASSIGNMENT AND ASSUMPTION OF THOSE CERTAIN PARKING STRUCTURE AGREEMENTS (VERDUGO STREET/ALFA PLAZA STRUCTURE) TO THE CITY OF SAN JUAN CAPISTRANO

WHEREAS, prior to February 1, 2012, the Community Redevelopment of the City of San Juan Capistrano (“Agency”) was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council of the City of San Juan Capistrano (“City”); and

WHEREAS, pursuant to AB x1 26, enacted in 2011, as subsequently amended (the “Dissolution Law”), all redevelopment agencies in California were dissolved and replaced by their respective successor agencies to wind down the affairs of the former agencies; and

WHEREAS, in accordance with the Dissolution Law, the Agency was dissolved and the City Council of the City now serves and acts as the Successor Agency to the San Juan Capistrano Community Redevelopment Agency (“Successor Agency”) for the purposes of administering the Agency’s remaining enforceable obligations and winding down the Agency’s affairs, subject to the review and approval of the Orange Countywide Oversight Board (“Oversight Board”); and

WHEREAS, in 1989, the private owner of a downtown parking structure (“Structure Operator”) in the City entered into a Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land, recorded in the Official Records of Orange County on December 15, 1989, as subsequently amended, with the former Agency (“Maintenance Agreement”) for the provision of public parking in, and maintenance of, a portion of the Verdugo Street/Alfa Plaza structure (“Structure”) through the year 2045, in accordance with that certain Owner Participation Agreement between the Structure Operator and the former Agency, recorded on December 22, 1987, as subsequently amended (“OPA”), which likewise relates to public parking operations of the Structure; and

WHEREAS, in 1990, the Structure Operator and the former Agency entered into that certain Lease Agreement, recorded on August 14, 1990, for the use of the Structure for the aforementioned purposes (“Lease Agreement”; collectively, the Lease Agreement, Maintenance Agreement, and OPA, shall hereinafter be referred to as the “Parking Structure Agreements”); and

WHEREAS, Redevelopment law in effect at the time that the Parking Structure Agreements were entered required that a city—and not a redevelopment agency—act as the participating public agency in agreements that govern ongoing facility operations; and

WHEREAS, in accordance with this State law, the City—and not the Agency—has continuously performed all operational functions and assumed all rights and obligations of the Structure since the Structure opened in 1990, and the City has only recently discovered that the Parking Structure Agreements erroneously identified the Agency—and not the City—as manager of the Structure; and

WHEREAS, following the Agency’s dissolution on February 1, 2012, in accordance with the Dissolution Law, the Agency’s interest in the Parking Structure Agreements were automatically transferred to the Successor Agency; and

WHEREAS, consistent with the City’s historic practice and with State law existing at the time the Parking Structure Agreements were entered, the Successor Agency has prepared and approved an Assignment and Assumption of the Parking Structure Agreements to the City (“Assignment”), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, by which all rights and obligations under the Parking Structure Agreements shall be assigned to and assumed by the City, in order to rectify the erroneous placement of the managerial and operational duties of the Structure with the Agency (instead of the City), as well as to facilitate the wind-down of the Agency; and

WHEREAS, in order for the Assignment to be fully effectuated, it is necessary for the Orange Countywide Oversight Board to approve the Assignment and for it to be presented to the State of California’s Department of Finance for consideration; and

WHEREAS, the approval of the Assignment is anticipated to have a significant fiscal benefit to the taxing entities as the Assignment would allow for the dissolution of the Successor Agency at its scheduled end date in 2036, thereby avoiding nine (9) years of additional outlays of administrative expenditures for the continued operation of the Successor Agency through the termination of the Parking Structure Agreements in 2045.

NOW, THEREFORE, THE ORANGE COUNTYWIDE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Approval of Assignment of Parking Structure Agreements. The Orange Countywide Oversight Board approves the Assignment in substantially the form attached to this Resolution as Exhibit A.

Section 3. Implementation. The Orange Countywide Oversight Board hereby authorizes and directs the Successor Agency and Successor Agency staff to take any and all actions necessary and appropriate to effectuate the purposes of this Resolution in compliance with applicable law, including without limitation, transmittal of this Resolution to the

Department of Finance, County auditor-controller, and County Executive Officer, pursuant to Health & Safety Code Section 34179(h).

Section 4. CEQA. The approval of the Assignment through this Resolution does not commit the Orange Countywide Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 5. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

Section 6. Certification. The Clerk of the Orange Countywide Oversight Board shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall become effective consistent with Health and Safety Code section 34179(h).

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Parking Structure Agreements)

[Attached behind this cover page]

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Agreement**"), dated and effective as of December 3, 2019, (the "**Assignment Date**"), is entered into by and among the Successor Agency of the City of San Juan Capistrano Community Redevelopment Agency, a public body, corporate, and politic ("**Assignor**"), as successor-in-interest to the San Juan Capistrano Community Redevelopment Agency ("**RDA**"), and the City of San Juan Capistrano, a municipal corporation ("**City**" or "**Assignee**"). Assignor and Assignee may each individually be referred to as a "**Party**," and collectively as the "**Parties**," to this Agreement.

RECITALS

1. Assignor, as successor-in-interest to the RDA, and the Alfa Plaza LLC ("**Owner**"), as successor-in-interest to Franciscan Plaza Investment Group ("**FPIG**"), are each parties to the following agreements related to the parking structure at Verdugo Street/Alfa Plaza ("**Structure**"):

(a) that certain Owner Participation Agreement by and among the RDA and FPIG, recorded in the official records of Orange County, California ("**Official Records**") on December 22, 1987, as Instrument No. 87-704662, a copy of which is attached hereto as Exhibit "A" ("**Original OPA Agreement**"), as subsequently amended by that certain First Amendment to the Original Agreement, dated October 17, 1989, a copy of which is attached hereto as Exhibit "B" ("**First OPA Amendment**"), and that certain Second Amendment to the Original Agreement, dated May 7, 2002, a copy of which is attached hereto as Exhibit "C" ("**Second OPA Amendment**," and collectively with the Original OPA Agreement and the First OPA Amendment, "**OPA**");

(b) that certain Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land by and between the RDA and FPIG, recorded in the Official Records on December 15, 1989, as Instrument No. 89-681025, a copy of which is attached hereto as Exhibit "D" ("**Original Maintenance Agreement**"), as amended by that certain First Amendment to Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land, dated May 7, 2002, a copy of which is attached hereto as Exhibit "E" ("**First Amendment to Maintenance Agreement**," and collectively with the Original Maintenance Agreement, "**Maintenance Agreement**"); and

(c) that certain Lease Agreement by and among the RDA and FPIG, recorded in the official records of Orange County, California on August 14, 1990, as Instrument No. 90-429893, a copy of which is attached hereto as Exhibit "F" ("**Lease Agreement**," and collectively with the OPA and the Maintenance Agreement, the "**Parking Structure Agreements**").

2. Assignor desires to assign to Assignee all of Assignor's rights and interests in and to the Parking Structure Agreements and to delegate to Assignee all of Assignor's duties and obligations under the Parking Structure Agreements. Assignee desires to accept the assignment of such rights and interests and assume such obligations thereunder.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and terms and conditions contained herein, the Parties hereto hereby agree as follows:

1. Incorporation of Recitals and Exhibits. The "Exhibits" and "Recitals" of this Agreement constitute a material part of this Agreement and are incorporated by reference as though fully set forth herein.

2. Assignment and Acceptance of Rights and Interests in the Parking Structure Agreements. Assignor hereby assigns and transfers to Assignee all of Assignor's rights and interests in and to the Parking Structure Agreements, and Assignee hereby accepts from Assignor the assignment of any and all rights and interests of Assignor under the Parking Structure Agreements.

3. Delegation and Assumption of Obligations Under the Parking Structure Agreements. Assignor hereby delegates to Assignee all Assignor's obligations, covenants, and promises under the Parking Structure Agreements, to the maximum extent permissible by law, and Assignee hereby accepts the foregoing delegation of such obligations, covenants, and promises, and agrees to fully perform such obligations and fulfill such covenants and promises, all to the extent accruing or arising on or after the date hereof.

4. General Provisions.

(a) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

(b) Entire Agreement; Conflict. This Agreement, and the exhibits and documents reference herein, constitute the entire agreement between the Parties with respect to the assignment and assumption of the Parking Structure Agreements and supersedes all prior agreements and understandings between the Parties with respect thereto. In the event of a conflict between the terms of this Agreement and the terms of the Parking Structure Agreements, the terms of this Agreement shall control.

(c) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which together shall constitute one in the same agreement.

(d) Status of Parking Structure Agreements. All terms, conditions and covenants set forth in the Parking Structure Agreements shall remain in full force and effect, subject only to the terms and amendments set forth in this Agreement.

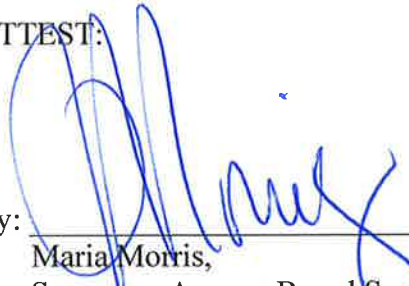
(e) Indemnification and Hold Harmless. Assignee agrees to defend, indemnify, protect and hold Assignor harmless from any and all claims, actions, judgments, losses, liabilities, damages, and costs (including, without limitation, reasonable attorney's fees) arising out of or in any way related to Assignee's performance after assignment of the Parking Structure Agreements.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.


“ASSIGNOR”

SUCCESSOR AGENCY OF THE SAN JUAN
CAPISTRANO REDEVELOPMENT AGENCY,
a public body, corporate, and politic

ATTEST:

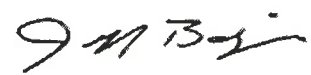
By: 

Maria Morris,
Successor Agency Board Secretary

By: 

Sergio Farias
Chairperson

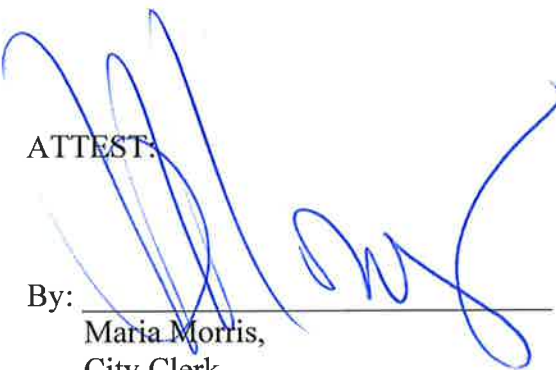
APPROVED AS TO FORM:


By: _____
Jeff Ballinger,
Successor Agency General Counsel


“ASSIGNEE”

CITY OF THE SAN JUAN CAPISTRANO,
a municipal corporation

ATTEST:

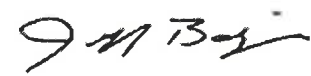
By: 

Maria Morris,
City Clerk

By: 

Troy A. Bourne
Mayor

APPROVED AS TO FORM:


By: _____
Jeff Ballinger,
City Attorney

Recording requested by

City of San Juan Capistrano

When recorded mail to:

Agency Secretary

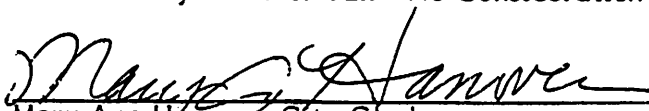
San Juan Capistrano Community

Redevelopment Agency

32400 Paseo Adelanto

San Juan Capistrano, CA 92675

Recording fee exempt due to Government Code 610
Documentary Transfer Tax - No Consideration



Mary Ann Hanover, City Clerk

City of San Juan Capistrano

87-704662

**EXEMPT
C8**

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA
-2:15 PM DEC 22'87
Lee A Branch COUNTY
RECORDER

OWNER PARTICIPATION AGREEMENT

by and among the

SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY,

AGENCY,

and

FRANCISCAN PLAZA INVESTMENT GROUP

PARTICIPANT,

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OWNER PARTICIPATION AGREEMENT

THIS AGREEMENT is entered into by and among the SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY (the "Agency") and FRANCISCAN PLAZA INVESTMENT GROUP, a California limited partnership (the "Participant"). The Agency and the Participant, hereby agree as follows:

I. [§100] SUBJECT OF AGREEMENT

A. [§101] Purpose of Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan (as hereinafter defined) for the Central Redevelopment Project Area by providing for the disposition and development of certain property situated within the Project Area (the "Project Area") of the Project. That portion of the Project Area to be developed pursuant to this Agreement (the "Site") is depicted on the "Site Map", which is attached hereto as Attachment No. 1 and incorporated herein by reference. This Agreement is entered into for the purpose of developing the Site by the construction of a parking facility (the "Facility") and not for speculation in land holding. Completing the development on the Site pursuant to this Agreement and the acquisition by the Agency of that leasehold interest in certain real property to be conveyed by the Participant to the Agency is in the vital and best interest of the City of San Juan Capistrano, California (the "City") and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements under which the Project has been undertaken.

B. [§102] The Redevelopment Plan

The Redevelopment Plan was approved and adopted by the City Council of the City of San Juan Capistrano by Ordinance No. 488 as amended by Ordinance Nos. 509, 547 and 582; said ordinances and The Redevelopment as so approved (the "Redevelopment Plan") are incorporated herein by reference.

C. [§103] The Site

The Site is that portion of the Project Area designated on the Site Map (Attachment No. 1) and described in the "Legal Description", which is attached hereto as Attachment No. 2 and is incorporated herein by reference.

D. The Property [§104]

The Property is that portion of the Project Area so designated on the Site Map (Attachment No. 1). The Property is currently owned by the Participant. The Parking Facility and specified improvements to be constructed thereon in accordance with this Agreement, is sometimes hereinafter referred to as the "Project".

E. Parties to the Agreement [§105]

1. The Agency [§106]

The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California. The principal office and mailing address of the Agency (for purposes of this Agreement) is located at 3240 Paseo Adelanto, San Juan Capistrano, California 02675.

"Agency", as used in this Agreement, includes the City of San Juan Capistrano Redevelopment Agency, and any assignee of or successor to its rights, powers and responsibilities.

2. The Participant [§107]

The Participant is FRANCISCAN PLAZA INVESTMENT GROUP, a California limited partnership. The general partner(s) of FRANCISCAN PLAZA INVESTMENT GROUP is Paul L. Farber and Associates, Inc., a California corporation. The principal office and mailing address of the Participant for the purposes of this Agreement is c/o Paul A. Farber & Associates, 26300 La Alameda, Suite 470, Mission Viejo, California 92691.

The Participant has represented to the Agency that the Participant has the experience and qualifications necessary to perform as Participant pursuant to this Agreement.

3. Representations by Participant [§108]

Participant represents and warrants to the Agency as follows:

A. The Participant is duly established and in good standing under the laws of the State of California and has duly authorized, executed and delivered this Agreement and any and all other agreements and documents required to be executed and delivered by the Participant in order to carry out, give

effect to, and consummate the transactions contemplated by this Agreement.

B. The Participant does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of the Participant to carry out its obligations hereunder.

C. There are no material pending or, so far as is known to the Participant, threatened, legal proceedings to which the Participant is or may be made a party or to which any of its property is or may become subject, which has not been fully disclosed in the material submitted to the Agency which could materially adversely affect the ability of the Participant to carry out its obligations hereunder.

D. There is no action or proceeding pending or, to the Participant's best knowledge, threatened, looking toward the dissolution or liquidation of the Participant, and there is no action or proceeding pending or, to the Participant's best knowledge, threatened by or against the Participant which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of the Participant to carry out its obligations hereunder.

E. The Participant has performed all of its obligations to be performed at or prior to this date in accordance with the Schedule of Performance and is not in default hereunder.

Each of the foregoing items A to E, inclusive shall be deemed to be an ongoing representation and warranty. The Participant shall advise the Agency in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items A to E, inclusive.

4. [\$109] Prohibition Against Change in
Ownership, Management and Control of
Participant

The qualifications and identity of the Participant are of particular concern to the City and the Agency. It is because of those qualifications and identity that the Agency has entered into this Agreement with the Participant. No voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this Agreement except as expressly set forth herein.

Prior to issuance of a Certificate of Completion for all of the Public Improvements, the Participant shall not assign or transfer all or any part of this Agreement or the Site or any rights hereunder without the prior written approval of the Agency. The Agency shall not unreasonably withhold its

approval of an assignment or an expanded partnership or new partnership which includes (i) Paul L. Farber ("Farber") or (ii) an entity in which Farber retains an interest of greater than 50% of profits and losses or maintains complete operational and managerial control as a general partner, provided that: (1) the assignee partnership shall expressly assume the obligations of the Participant pursuant to this Agreement in writing reasonably satisfactory to the Agency; (2) the original Participant shall remain fully responsible for the performance and liable for the obligations of the Participant pursuant to this Agreement; and (3) the assignee (or expanded partnership) is financially capable, as reasonably determined by the Agency, of performing the duties and discharging the obligations it is assuming. The Participant shall promptly notify the Agency in writing of any and all changes whatsoever in the identity of the persons in control of the Participant and the degree thereof. In the event of death or incapacity of one or more of the partners or principals of the Participant, the Agency shall not unreasonably withhold its approval of an assignment satisfying criteria numbered (1) and (3), respectively, in the preceding sentence.

All of the terms, covenants and conditions of this Agreement shall be binding upon and shall inure to the benefit of the Parties and the permitted successors and assigns of the Parties. Whenever the term "Participant" is used herein, such term shall include any other permitted successors and assigns as herein provided.

Section 109 shall be inapplicable following the issuance by the Agency of a Certificate of Completion for all of the Public Improvements.

5. [§110] Relationship of Agency and Participant

It is hereby acknowledged that the relationship between the Agency and the Participant is not that of a partnership nor joint venture and that the Agency and the Developer shall not be deemed or construed for any purpose to be the agent of the other.

II. [§200] ASSEMBLY OF THE SITE

A. [§201] Participant Assembly Obligations

The Participant has acquired fee title to all portions of real property comprising the Site.

B. [§202] Indemnity

The Participant shall defend, indemnify, and hold harmless each of the Agency and the City from and against any claims, demands, suits, judgments or awards arising from or related in any manner to (i) the activities of the Participant, (ii) the prior acquisition of the Site by the Participant, (iii) the disposition of the Site pursuant to this Agreement (including without limitation the "Lease", which is attached hereto as Attachment No. 4, and is incorporated herein by reference, or (iv) relocation or removal of any occupants of the Site (whether effected by the Agency or the Participant). This indemnity shall not apply to the Agency's breach or default of any of the terms, conditions or covenants of the Lease (Attachment No. 4).

III. [§300] DISPOSITION OF THE SITE

A. [§301] Lease

1. The Participant shall lease the Parking Facility as depicted on the Site Map (Attachment No. 1) to the Agency pursuant to the Lease (Attachment No. 4). The transfer of leasehold estate pursuant to the Lease (Attachment No. 4) shall constitute the "Lease Transfer". The respective obligations of the parties, including without limitation the development of the Parking Facility and Public Improvements and the payment of rent, are set forth in the Lease (Attachment No. 4). The Participant and the Agency shall execute the Lease (Attachment No. 4) by the applicable time established therefor in the Schedule of Performance (Attachment No. 3); provided that the execution by the Agency of said Lease shall be subject to and conditioned upon the prior satisfaction by the Participant of the "Conditions Precedent", as set forth in Section 302 of this Agreement.

2. In addition to the consideration set forth in this Section 301, the Participant shall pay all of those costs, charges, fees and expenses as hereafter expressly provided to be paid by Participant pursuant to this Agreement and shall, at its cost, provide all of the improvements required by this Agreement to be provided by the Participant (the "Public Improvements"). The Public Improvements are described in the "Public Improvement Specifications" which is attached hereto as Attachment No. 8 and is incorporated herein by reference. Participant shall pay 100% of the cost of the Public Improvements (Attachment No. 8) with the exception that there shall be a limit of Thirty-Five Thousand Dollars (\$35,000.00) to Participant's expenditure for the railroad platform improvement and the landscaping associated with the railroad platform improvement.

The Agreement and the Lease (Attachment No. 4) provide substantial economic incentives to the Participant, based upon covenants by the Participant to dedicate the parking structure to public purposes. Public purposes shall be defined as "open and available to the public on an equal basis." This covenant of dedication to public purposes is permanent, shall run with the land and shall therefor continue beyond the term of the Lease (Attachment No. 4). Additional economic incentives are provided in that Parking Revenue generated from commuter parking or other paid parking, is to be divided between the Agency and the Participant on a 50/50 basis.

B. [§302] Conditions Precedent

As conditions precedent to the obligations to the Agency to commence the term of the Lease (Attachment No. 4), the Participant shall complete all of the following:

1. the Participant executes the Lease (Attachment No. 4);
2. the Participant provides proof satisfactory to the Agency that the Participant: (i) holds fee title to all of the Site; and (ii) has verified that the zoning of the Site is such as to permit development of the Public Improvements and the use, operation, and maintenance of such improvements;
3. the Participant executes (and obtains execution of all parties having any fee ownership interest in the Site) the Deed of Trust (Attachment No. 5);
4. the Participant provides proof satisfactory to the Agency that all real property taxes levied with respect to the Site have been paid, and that no such taxes are delinquent;
5. the condition of the leasehold title of the Agency upon recordation of the Lease (Attachment No. 4) would conform to Section 306 of this Agreement.

The foregoing conditions numbered 1 to 5, inclusive, shall collectively constitute the "Conditions Precedent".

C. [§303] Escrow

The Agency agrees to open an escrow (the "Escrow") with First American Title Insurance Company (or with another mutually agreeable escrow company) (the "Escrow Agent") by the

time established therefor in the Schedule of Performance (Attachment No. 3). The Escrow Agent shall accomplish the recordation of the Lease (Attachment No. 4) and the Deed of Trust (Attachment No. 5), all as more particularly set forth herein. This Agreement constitutes the joint basic escrow instructions of the Agency and the Participant for creation of a leasehold interest for the Agency pursuant to the Lease (Attachment No. 4), and an interest pursuant to the Deed of Trust (Attachment No. 5) and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the Escrow. The Agency and the Participant shall provide such additional escrow instructions as shall be necessary for and consistent with this Agreement. The Escrow Agent is hereby empowered to act under this Agreement, and the Escrow Agent, upon indicating within five (5) days after the opening of the Escrow its acceptance of the provisions of this Section 303, in writing, delivered to the Agency and the Participant, shall carry out its duties as Escrow Agent hereunder.

Upon delivery of the Lease (Attachment No. 4), and the Deed of Trust (Attachment No. 5) to the Escrow Agent by the Agency, the Escrow Agent shall record such Lease and Deed of Trust, when leasehold title can be vested in the Agency and the interest of the Agency pursuant to the Deed of Trust (Attachment No. 5) shall similarly be vested in the Agency, all in accordance with the terms and provisions of this Agreement. Any insurance policies covering the Property or any parcel are not to be transferred.

The Participant shall pay in escrow to the Escrow Agent the following fees, charges and costs promptly after the Escrow Agent has notified the Participant of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for closing the Escrow:

1. One-half (1/2) of the escrow fee;
2. Any State, County or City Documentary Stamps;
3. Any transfer tax;
4. Costs necessary to place title to the Property in the condition required by this Agreement prior to recordation of the Lease (Attachment No. 4) and the Deed of Trust (Attachment No. 5);
5. Recording fees;
6. Notary fees; and

7. The premium for the title insurance policy to be paid by the Participant as set forth in Section 308 of this Agreement.

The Agency shall pay to the Escrow Agent prior to closing one-half (1/2) of the escrow fee.

By the time established therefor in the Schedule of Performance (Attachment No. 3), the Participant shall execute and deposit with the Escrow Agent the Lease (Attachment No. 4) and the Deed of Trust (Attachment No. 5). Subject to Section 302 of this Agreement, the Agency shall execute such Lease and such Deed of Trust prior to the close of escrow.

The Escrow Agent is authorized to:

1. Pay, and charge the Participant and Agency for any fees, charges and costs payable under this Section 303 of this Agreement. Before such payments or charges are made, the Escrow Agent shall notify the Agency and the Participant of the fees, charges and costs necessary to clear title and close the Escrow.
2. Disburse funds and deliver the deed and other documents to the parties entitled thereto when the conditions of this Escrow have been fulfilled by the Agency and the Participant.
3. Record any instruments delivered through this Escrow, if necessary or proper, to vest leasehold title in the Agency in accordance with the terms and provisions of this Agreement.

All funds received in this Escrow shall be deposited by the Escrow Agent, with other escrow funds of the Escrow Agent in an interest earning general escrow account or accounts with any state or national bank doing business in the State of California. Such funds may be transferred to any other general escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments are to be made on the basis of a thirty (30) day month.

If this Escrow is not in condition to close on or before the time established therefor in Section 304 of this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of leasehold title may, in writing, demand from the Escrow Agent the return of its money, papers or documents deposited with the Escrow Agent. No demand for return shall be recognized until ten (10) days after

the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address of its or their principal place or places of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the ten (10) day period, in which event the Escrow Agent is authorized to hold all money, papers and documents with respect to the Property until instructed by a mutual agreement of the parties or by a court of competent jurisdiction. If no such demands are made, the Escrow shall be closed as soon as possible.

The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both the Agency and the Participant or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

Any amendment to these Escrow instructions shall be in writing and signed by both the Agency and the Participant. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to the Agency or the Participant shall be directed to the addresses specified in Sections 105 and 106 of this Agreement and in the manner established in Section 601 of this Agreement for notices, demands and communications between the Agency and the Participant.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 303 to 308, both inclusive, of this Agreement.

Neither the Agency nor the Participant shall be liable for any real estate commissions or brokerage fees which may arise herefrom. The Agency and the Participant each represents that it has not engaged any broker, agent or finder in connection with this transaction.

D. [\$304] Conveyance of Leasehold Title

Subject to any extensions of time mutually agreed upon between the Agency and the Participant, the conveyance of leasehold title to the Agency pursuant to the Lease (Attachment No. 4) shall be completed on or prior to the date specified therefor in the Schedule of Performance (Attachment No. 3). Said Schedule of Performance (Attachment No. 3) is subject to revision from time to time as mutually agreed upon in writing between the Participant and the Agency. The Agency and the

Participant agree to perform all acts necessary to conveyance of leasehold title in sufficient time for leasehold title to be conveyed in accordance with the foregoing provisions.

Possession shall be delivered to the Agency concurrently with the conveyance of leasehold title.

E. [§305] Form of Documents

The Participant shall convey to the Agency leasehold title to the Property in the condition provided in Section 306 of this Agreement by the Lease (Attachment No. 4). The Participant shall additionally cause the concurrent recordation of the Deed of Trust (Attachment No. 5).

F. [§306] Condition of Leasehold Title

The Participant shall convey to the Agency leasehold title to the Parking Facility free and clear of all recorded or unrecorded liens, encumbrances, covenants, assessments, easements, leases and taxes, except for liens, encumbrances, covenants, assessments, and easements of record which are hereafter approved in writing by the Agency (which shall act reasonably in evaluating any such encumbrances) and liens for construction or take-out financing for the Public Improvements; the interest of the Agency to be created upon recordation of the Deed of Trust (Attachment No. 5) shall be subject only to the same encumbrances. The Participant shall have the right to pledge any rent payable by the Agency pursuant to the Lease (Attachment No. 4). The Agency authorizes its Executive Director to execute such documents as may be necessary to subordinate its total interest in the Parking Facility including the Lease (Attachment No. 4) to deeds of trust in favor of lenders providing construction or take-out financing in connection with the Project, where the lender seeking subordination has executed a Non-Disturbance and Attornment Agreement substantially in the form of Attachment No. 9 which is attached hereto and incorporated herein by this reference.

G. [§307] Recordation of Documents

The Escrow Agent shall file first the Lease (Attachment No. 4) and the Deed of Trust (Attachment No. 5) for recordation among the land records in the Office of the County Recorder for Orange County, after delivery to the Agency of two title insurance policies, insuring leasehold title pursuant to the Lease (Attachment No. 4) and the interest of the Agency by virtue of the Deed of Trust (Attachment No. 5) in conformity with Section 308 of this Agreement. The Escrow Agent shall also record any applicable subordination and non-disturbance and attornment agreements.

H. [§308] Title Insurance

Concurrently with recordation of the Lease (Attachment No. 4) and the Deed of Trust (Attachment No. 5), First American Title Insurance Company (the "Title Company"), shall provide and deliver to the Agency a title insurance policy issued by the Title Company insuring that leasehold title to the Parking Facility (pursuant to the Lease [Attachment No. 4]) is vested in the Agency and that the interest to be held by the agency pursuant to the Deed of Trust (Attachment No. 5) all is reposed in the Agency in the condition required by Section 306 of this Agreement. The Title Company shall provide the Agency with a copy of the title insurance policies for its leasehold interest pursuant to the Lease (Attachment No. 4) (based upon the amount of Two Million and Five Hundred Thousand Dollars (\$2,500,000), and for its interest pursuant to the Deed of Trust (Attachment No. 5), which shall be an ALTA lender's policy for the amount of Two Million and Five Hundred Thousand Dollars (\$2,500,000). The Participant shall bear all costs for the foregoing title insurance policies.

In the event that the Title Company will insure the interest of the Agency as provided herein to the same extent as set forth in this Section 308 as an update to policy issued to the Participant, such a policy may be utilized; provided, however, that the Agency shall be a named insured pursuant to such insurance policy.

In the event the Participant seeks any title insurance policy for its benefit, all costs for such title insurance shall be borne solely by the Participant.

I. [§309] Condition of the Site

The Participant, at Participant's expense, shall perform any excavation, backfilling, demolition, removal of structures (including subsurface structures), and grading necessary for the Public Improvements. If the soil conditions of the Site are not in all respects entirely suitable for the use or uses to which the Site will be put, then it is the sole responsibility and obligations of Participant to take such action as may be necessary to place the Site in a condition entirely suitable for the development of the Site. After the close of escrow, Participant agrees to indemnify and defend the City and/or Agency for any claims which may be asserted against the City and/or the Agency under the Comprehensive Environmental Response and Compensation and Liability Act, as amended, (42 U.S.C. §9601 et. seq.) ("CERCLA"), and the Resource Conservation and Recovery Act, (42 U.S.C. §6901 et. seq.) which claims are based at least in part on the fact that the City and/or Agency held a leasehold interest in the Parking Facility.

J. [§310] Preliminary Work and Grading

The Participant assumes full responsibility to obtain any necessary consents of affected property owners and tenants at its expense prior to undertaking any work on the Site.

The Participant agrees to undertake such demolition, soil excavation, importation and compaction work as is necessary to prepare Site for the Public Improvements.

The Participant shall save and protect the Agency and the City against any claims resulting from all preliminary work, access or use of the Site undertaken pursuant to this Section 310. Copies of data, surveys and tests obtained or made by the Participant on the Site pursuant to this Section 310 shall be filed with the Agency within fifteen (15) days after receipt by the Participant. Any preliminary work by the Participant shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

IV. [§400] DEVELOPMENT OF THE SITE

A. [§401] Scope of Development

The Participant shall commence and complete construction of the Public Improvements by the respective times established therefor in the Schedule of Performance (Attachment No. 3). The Participant additionally assumes all responsibility to cause the timely commencement and completion of the "Site Grading", as hereinafter set forth in Section 310 of this Agreement.

The Parking Facility and Public Improvements shall be developed as provided in the "Attachment No. 6", which is attached hereto as the Scope of Development and is incorporated herein.

The development shall include any plans and specifications submitted to City and/or Agency for approval, and shall incorporate or show compliance with all applicable mitigation measures.

B. [§402] Site Plan

By the respective times set forth therefor in the Schedule of Performance (Attachment No. 3), the Participant shall prepare and submit to the Agency for its approval any modifications to the approved plans for development of the Site in sufficient detail to enable the Agency to evaluate the

proposal for conformity to the requirements of this Agreement. The Site shall be developed as established in this Agreement and such documents except as changes may be mutually agreed upon between the Participant and the Agency. Any such changes shall be within the limitations of the Scope of the Development (Attachment No. 6).

C. [§403] Construction Drawings and Related Documents

By the time set forth therefor in the Schedule of Performance (Attachment No. 3), the Participant shall prepare and submit to the City, construction drawings, landscape plan, and related documents for development of the Site for written approval. Approval of the drawings and specifications, as provided in the Schedule of Performance (Attachment No. 3), will be granted by the City if they conform to Site Plan theretofore approved. Any items so submitted and approved in writing by the City shall not be subject to subsequent disapproval.

During the preparation of all drawings and plans, staff of the Agency, City, and the Participant shall hold regular progress meetings to coordinate the preparation of, submission to, and review of drawings, plans and related documents by the Agency. The staff of Agency, City, and the Participant shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the Agency or City can receive prompt and speedy consideration. The Participant shall be obligated to obtain all City approvals required for the construction of the Public Improvements.

D. [§404] City Approval of Plans, Drawings, and Related Documents

The City shall have the right of planning review of all plans and submissions including any changes therein.

Provided that the submissions by the Participant are made timely and are complete, the City shall approve or disapprove the plans, drawings and related documents referred to in Sections 403 and 404 of this Agreement within the times established in the Schedule of Performance (Attachment No. 3). Any disapproval shall state in writing the reasons for disapproval. The Participant, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall revise such portions and resubmit to the City as soon as possible after receipt of the notice of disapproval as provided in the Schedule of Performance (Attachment No. 3).

The City shall advise the Participant within ten (10) days of any submittal of plans or drawings if the submittal is not complete or not in accordance with City/Agency procedures. If the City determines that such a submittal is not complete or not in accordance with procedures, such tender shall not be deemed to constitute a submittal for purposes of satisfying the Schedule of Performance (Attachment No. 3).

If the Participant desires to make any substantial changes in the construction plans after their approval by the City, the Participant shall submit the proposed change to the City for its approval. The City shall approve or reject the proposed change and notify the Participant in writing within 30 days after submission to the City.

E. [§405] Cost of Construction

All the costs of site preparation and developing the Public Improvements and developing the Site and constructing all improvements thereon shall be borne solely by the Participant.

F. [§406] Construction Schedule

The Participant shall promptly begin and thereafter diligently prosecute to completion the construction of the Public Improvements, with all construction commencing and being completed within the times specified therefor in the Schedule of Performance (Attachment No. 3).

G. [§407] Bodily Injury and Property Damage Insurance

The Participant shall defend, assume all responsibility for and hold the Agency, its officers and employees, harmless from, all claims or suits for, and damages to, property and injuries to persons, including accidental death (including attorneys fees and costs), which may be caused by any of the Participant's activities under this Agreement, whether such activities or performance thereof be by the Participant or anyone directly or indirectly employed or contracted with by the Participant and whether such damage shall accrue or be discovered before or after termination of this Agreement. The Participant shall take out and maintain throughout the period set forth in this Section 408, a comprehensive liability policy in the amount of Two Million Dollars (\$2,000,000) combined single limit policy, including contractual liability, as shall protect the Participant, City and Agency from claims for such damages.

The Participant shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on a form of the insurance carrier setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the City and the Agency and their respective offices, agents, and employees as additional insureds under the policy. The certificate by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify City and the Agency of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by the Participant shall be primary insurance and not contributing with any insurance maintained by the Agency or City, and the policy shall contain such an endorsement. The insurance policy or the certificate of insurance shall contain a waiver of subrogation for the benefit of the City and the Agency. The required certificate shall be furnished by the Participant at the time set forth therefor in the Schedule of Performance (Attachment No. 3).

The Participant shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that any contractor with whom it has contracted for the performance of work on the Site or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law.

The obligations set forth in this Section 407 shall remain in effect only until the date of issuance of a final Certificate of Completion for the Parking Facility and all of the Public Improvements as hereafter provided in Section 422 of this Agreement.

H. [§408] City and Other Governmental Agency Permits

Before commencement of construction or development of any buildings, structures or other works of improvement upon the Site or within the Project Area, the Participant shall, at its own expense, secure or cause to be secured any and all permits which may be required by the City or any other governmental agency affected by such construction, development or work. It is understood that the Participant's obligation is to pay all necessary fees and to timely submit to the City final drawings with final corrections to obtain a building permit; the Agency will, without obligation to incur liability or expense therefor, use its best efforts to expedite issuance of building permits and certificates of occupancy for construction that meets the requirements of the City Code.

I. [§409] Rights of Access

For the purpose of assuring compliance with this Agreement, representatives of the Agency and the City shall have the right of access to all portions of the Site in which the Participant shall have an ownership interest, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements, so long as they comply with all safety rules. Such representatives of the Agency or of the City shall be those who are so identified in writing by the Executive Director of the Agency. The Agency shall indemnify, defend and hold the Participant harmless from and against any bodily injury or related damages arising out of the activities of the Agency and the City as referred to in this Section 409 including but not limited to, claims, causes of action, liability, loss, cost or expense (including reasonable attorneys' fees) in connection therewith.

The Participant and the Agency agree to cooperate in placing and maintaining on the Site one sign indicating the respective parts of the Participant and the Agency in the Project. The cost of the sign shall be borne solely by the Participant.

J. [§410] Local, State and Federal Laws

The Participant shall carry out the construction of the improvements in conformity with all applicable laws, including all applicable federal immigration laws and federal and state labor standards, provided, however, Participant and its contractors, successors, assigns, transferees, and lessees are not waiving their rights to contest any such laws, rules or standards.

K. [§411] Antidiscrimination During Construction

The Participant, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, creed, religion, age, sex, marital status, handicap, national origin or ancestry.

L. [§413] Taxes, Assessments, Encumbrances and Liens

The Participant shall pay when due all real estate taxes and assessments on the Site whether levied before or after the Lease Transfer. Prior to issuance of a Certificate

of Completion pursuant to Section 422, the Participant shall not place on the Site or any part thereof any mortgage, trust deed, encumbrance or lien other than as expressly allowed by this Agreement, including, without limitation, the Lease (Attachment No. 4). The Participant shall remove or have removed any levy or attachment made on any of the Site or any part thereof, or assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Participant from contesting the validity or amounts of any tax assessment, encumbrance or lien, nor to limit the remedies available to the Participant in respect thereto.

M. [§414] Prohibition Against Transfer of the Site, the Buildings or Structures Thereon and Assignment of Agreement

Prior to the issuance by the appropriate governmental authority of a Certificate of Completion (pursuant to Section 422 of this Agreement) as to any building or structure, the Participant shall not, except as permitted by this Agreement, without prior approval of the Agency, make any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of the Site or of the buildings or structures on the Site. This prohibition shall not be deemed to prevent construction loans allowable pursuant to Section 416, the granting of temporary or permanent easements or permits to facilitate the development of the Site or to prohibit or restrict the leasing of any part or parts of a building or structure for occupancy for a term commencing upon completion.

N. [§415] Mortgage, Deed of Trust, Sale and Lease-Back Financing; Rights of Holders

1. [§416] No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Back for Development

Mortgages, deeds of trust and sales and leases-back are to be permitted before completion of the construction of the improvements pursuant to this Section 416, but only for the purpose of securing loans of funds to be used for financing the construction of improvements on the Site, permanent financing, and any other purposes necessary and appropriate in connection with development under this Agreement. The Participant shall notify the Agency in advance of any mortgage, deed of trust or sale and lease-back financing, if the Participant proposes to enter into the same before completion of the construction of the improvements on

the Site. The words "mortgage" and "trust deed" as used hereinafter shall include sale and lease-back. The Participant shall not enter into any such conveyance for financing without the prior written approval of the Agency, which approval Agency agrees to give if any such conveyance for financing is given to a responsible lender.

2. [§417] Holder Not Obligated to Construct Improvements

The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

3. [§418] Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure

With respect to any mortgage or deed of trust granted by Participant as provided herein, whenever the Agency shall deliver any notice or demand to Participant with respect to any breach or default by the Participant in completion of construction of the improvements, the Agency shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of the Agency are concerned) have the right, at its option, within thirty (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and pursue with due diligence any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the improvements (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Participant's obligations to the agency by written agreement satisfactory to the Agency. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 422 of this Agreement, to a Certificate of Completion (as therein defined).

4. [§419] Failure of Holder to Complete
Improvements

Subject to the provisions of Section 603 of this Agreement, in any case where, thirty (30) days after default by the Participant in completion of construction of improvements under this Agreement, the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof has not exercised the option to construct, or if it has exercised the option and has not proceeded diligently with construction, the Agency may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Participant Parcel or any part thereof has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

- a. The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- b. All expenses with respect to foreclosure;
- c. The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Site or part thereof;
- d. The costs of any improvements made by such holder;
- e. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency; and
- f. Any customary prepayment charges imposed by the lender pursuant to its loan documents and agreed to by the Participant.

5. [§420] Right of the Agency to Cure Mortgage or Deed of Trust Default

In the event of a mortgage or deed of trust default or breach by the Participant prior to the completion of the construction of the improvements on the Site or any part thereof and the holder of any mortgage or deed of trust has not exercised its option to construct, the Agency may cure the default. In such event, the Agency shall be entitled to reimbursement from the Participant of all proper costs and expenses incurred by the Agency in curing such default. The Agency shall also be entitled to a lien upon the Site and the Site to the extent of such costs and disbursements. Any such lien shall be subject and subordinate to the construction financing mortgages or deeds of trust.

O. [§421] Right of the Agency to Satisfy Other Liens on the Site After Title Passes

After the conveyance of Leasehold interest to Agency and prior to the completion of construction, and after the Participant has had written notice and has failed after a reasonable time, but in any event not less than fifteen (15) days, to challenge, cure, adequately bond against, or satisfy any liens or encumbrances on the Site which are not otherwise permitted under this Agreement, the Agency shall have the right but no obligation to satisfy any such liens or encumbrances.

P. [§422] Certificate of Completion

Promptly after completion of all construction and development required by this Agreement to be completed by the Participant upon the Site in conformity with this Agreement, the Agency shall furnish the Participant with a Certificate of Completion upon written request therefor by the Participant. Such Certificate shall be substantially in the form of Attachment No. 7 hereto. The Agency shall not unreasonably withhold any such Certificate of Completion. Such Certificate of Completion shall be a conclusive determination of satisfactory completion of the construction required by this Agreement upon the Site and the Certificate of Completion shall so state. After recordation of such Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest therein shall not (because of such ownership, purchase, lease or acquisition), incur any obligation or liability under this Agreement except as provided in the Lease (Attachment No. 4) or other documents establishing covenants on the Site in accordance with the provisions of Section 401 of this Agreement, which shall be applicable according to its terms.

If the Agency refuses or fails to furnish a Certificate of Completion for the Public Improvements after written request from the Participant, the Agency shall, within thirty (30) days of written request therefor, provide the Participant with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion. The statement shall also contain Agency's opinion of the actions of the Participant must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate availability of specific items of materials for landscaping, the Agency will issue its Certificate of Completion upon the posting of a bond or an unconditional letter of credit (in form and substance reasonably acceptable to the Agency and its legal counsel) by the Participant with the Agency in an amount representing a fair value of the work not yet completed. If the Agency shall have failed to provide such written statement within said thirty (30) day period, the Participant shall be deemed entitled to the Certificate of Completion.

Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Participant to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the improvements, or any part thereof. Such Certificate of Completion is not a notice of completion as referred to in the California Civil Code, Section 3093.

V. [§500] USE OF THE SITE

A. [§501] Uses

The Participant covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof, that during construction and thereafter, the Participant, such successors and such assignees, shall devote the Site to the uses specified in the Redevelopment Plan, and this Agreement for the periods of time specified therein. No use other than the operation of a parking facility principally devoted to a combination of commuter and commercial parking shall be allowed on the Site without the prior written approval of the Agency (which approval the Agency may grant, deny, withhold, or grant subject to conditions, at its sole and absolute discretion). The number of commuter and commercial parking spaces shall be based upon a determination of the parking spaces necessary for the commercial uses as determined by the City of San Juan Capistrano Municipal Code (the "Code") with the remainder of the spaces allocated to commuter use. This proportion shall be readjusted if a change in use of the commercial space requires

a greater or lesser number of parking spaces under the Code. However, in no event shall the number of commuter spaces be less than one hundred (100). The parking must be used for public purposes and shall be considered to be used for public purposes as long as it is open and available to the public on an equal basis. The foregoing covenants shall run with the land.

The Participant covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Participant 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 Site. The foregoing covenants shall run with the land.

The Participant shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "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 them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee 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 in the land herein conveyed. The foregoing covenants shall run with the land."

2. In leases: "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 race, color, creed, religion, sex, marital status, handicap, age, ancestry or national origin 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."

3. In contracts: "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, ancestry or national origin, 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 premises."


Except for covenants against discrimination or segregation, which shall continue in effect in perpetuity, the covenants set forth in this Section 501 shall remain in effect until the termination date of the Redevelopment Plan. Each of the Participant shall be jointly and severally liable in the event of noncompliance with this Section 501.

B. [§502] Maintenance and Operation of Facility

Agency and Participant shall jointly select and enter into a Maintenance and Operation Agreement with a qualified management company for maintenance and operation of the structure by the time designated in the Schedule of Performance

(Attachment No. 3). The cost of the common area maintenance ("CAM") charges shall be allocated between the Agency and the Participant in proportion both to the ratio of commuter parking spaces and the commercial spaces and the commuter parking days of Monday through Friday and hours of 6:00 AM to 6:00 PM. The following equation expresses this ratio:

$$\frac{\text{Agency's portion of CAM charges}}{\text{Total CAM charges}} = \frac{(\# \text{ of Commuter Spaces}) (12 \text{ hrs})}{(\text{Total } \# \text{ of Spaces}) (17 \text{ hrs})} \frac{(\# \text{ of working days in month})}{(\# \text{ of days in month})}$$

The number of commuter parking spaces and commercial parking spaces shall be determined as specified in §501 of this Agreement. ~~The minimum parking charge for commuter parking shall be \$3.50/day.~~ Collection of fees shall be handled by the operator of the structure or as otherwise agreed between the parties and distributed, based on a 50/50 division, to the Participant and the Agency on a quarterly basis after the CAM charge has been satisfied. 

Issuance of a Certificate of Completion by the Agency shall not affect Participant's obligations under this section.

C. §503 Rights of Access

The Agency, for itself and for the City and other public agencies, at their sole risk and expense, reserves the right to enter the Site or any part thereof which is owned or controlled by the Participant, at all reasonable times for the purpose of construction, reconstruction, maintenance, repair or service of any public improvements or public facilities located on the Site. Any such entry shall be made only after reasonable notice to Participant, and Agency shall indemnify and hold Participant harmless from any costs, claims, damages or liabilities pertaining to any entry. This Section 503 shall not be deemed to diminish any rights the Agency, the City, or any other public agencies may have without reference to this Section 503.

D. §504 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction

The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this

Agreement and the covenants running with the land have been provided. The Agreement and the covenants shall run in favor of the Agency, without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Site or in the Project Area. The Agency shall have the right, if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled.

After issuance of a Certificate of Completion for all grading and improvements to be completed by the Participant pursuant to this Agreement, all of the terms, covenants, agreements and conditions set forth in this Agreement relating to the Site shall cease and terminate as to that portion of the Site for which the Certificate of Completion is issued, excepting only the provisions listed below which shall survive as follows:

(a) Sections 409, 501, 502 and 503 relating to Uses, Maintenance and Access.

(b) Section 407 (relating to indemnification and insurance) shall remain in effect in accordance with the terms and conditions set forth therein.

(c) Sections 700 to 707 and 713 to 715 (relating to rights and remedies) shall remain in effect to the extent necessary to enforce other provisions of this Agreement.

(d) The Lease (Attachment No. 4) and Section 301 of this Agreement shall remain enforceable according to their terms.

VI. [§600] GENERAL PROVISIONS

A. [§601] Notices, Demands and Communications Between the Parties

Written notices, demands and communications between the Agency, the Participant shall be sufficiently given if delivered by hand (and a receipt therefor is obtained or is refused to be given) or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency, the Participant. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 601. Notwithstanding the foregoing, notice by the Agency to either the Participant shall be deemed to constitute notice to both the Participant.

Any written notice, demand or communication shall be deemed received immediately if delivered by hand and shall be deemed received on the tenth day from the date it is postmarked if delivered by registered or certified mail.

B. [§602] Conflicts of Interest

No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach of the Agency, or for any amount which may become due to the Participant or successor or on any obligations under the terms of this Agreement.

Each of the Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

C. [§603] Enforced Delay; Extension of Times
Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement and the Attachments hereto shall be extended, where delays or defaults are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure permits (if the inability to secure permits is not the fault of the participant), necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts or omissions of the other party; acts or failures to act of the City of San Juan Capistrano or any other public or governmental agency or entity (other than the acts or failures to act of the Agency which shall not excuse performance by the Agency); or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of

the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of Agency and Participant.

Notwithstanding the foregoing portion of this Section 603, the Participant is not entitled pursuant to this Section 603 to an extension of time to perform because of (i) past, present, or future difficulty in obtaining suitable temporary or permanent financing for the development of the Site.

D. [§604] Nonliability of Officials and Employees of the Agency

No member, official or employee of the Agency or the City shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency (or the City) or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this Agreement.

VII. [§700] DEFAULTS AND REMEDIES

A. [§701] Defaults -- General

Subject to the extensions of time set forth in Section 603, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence.

The injured party shall give written notice of default to the party in default, as well as other persons or entities entitled to notice hereunder, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice or, provided that the party is proceeding with diligence to cure, such greater time as may be necessary to cure given the nature of the default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

B. [§702] Legal Actions

1. [§703] Institution of Legal Actions

In addition to any other rights or remedies and subject to the restrictions in Section 701, either party may institute legal action to cure, correct or remedy any default,

to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Orange, State of California, in an appropriate municipal court in that county, or in the Federal District Court in the Central District of California.

2. [§704] Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

3. [§705] Acceptance of Service of Process

In the event that any legal action is commenced by the Participant against the Agency, service of process on the Agency shall be made by personal service upon the Director or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency against the Participant, service of process on the Participant shall be made by personal service upon the general partner of the Participant and shall be valid whether made within or without the State of California or in such other manner as may be provided by law.

C. [§706] Rights and Remedies Are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. [§707] Inaction Not a Waiver of Default

Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

E. [§708] Remedies and Rights of Termination

1. [§709] Damages.

If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party

shall serve written notice of such default upon the defaulting party. If the default is not cured or commenced to be cured by the defaulting party within thirty (30) days after service of the notice of default (or within such other period as is set forth herein), the defaulting party shall be liable to the other party for any damages caused by such default.

2. [§710] Specific Performance

If either party defaults under any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days of service of the notice of default, or such other time limit as may be set forth herein with respect to such default, the non-defaulting party at its option may thereafter (but not before) commence an action for specific performance of terms of this Agreement.

3. [§711] Termination by the Participant

In the event that prior to the time established for the Lease Transfer in the Schedule of Performance (Attachment No. 3), the Participant is not in default of this Agreement and has satisfied all of the Conditions Precedent (as set forth in Section 302 of this Agreement), but the Agency nevertheless fails to execute the Lease (Attachment No. 4) by the time established therefor in the Schedule of Performance (Attachment No. 3) then this Agreement shall, at the option of the Participant, be terminated by written notice thereof to the Agency. A termination under this Section 711 shall not prevent the Participant from pursuing any claim for damages or specific performance to which it might otherwise be entitled.

4. [§712] Termination by the Agency

In the event that prior to the Leasehold Conveyance:

- (a) The Participant (or any successor in interest) assigns or attempts to assign the Agreement or any rights therein or in the Site in violation of this Agreement; or
- (b) There is a change in the ownership of the Participant contrary to the provisions of Section 109 hereof; or

- (c) The Participant does not submit certificates of insurance, construction plans, drawings and related documents as required by this Agreement, in the manner and by the dates respectively provided in this Agreement therefor any such default or failure shall not be cured within forty-five (45) days after the date of written demand therefor by the Agency; or
- (d) The Participant fails to satisfy all Conditions Precedent (as set forth in Section 302 of this Agreement) by the time established therefor in the Schedule of Performance (Attachment No. 3); or
- (e) The Participant fails to provide proof to the Agency by the date established for the Agency Conveyance by the Schedule of Performance (Attachment No. 3) that the Participant has obtained binding loan commitments for construction financing for all of the Public Improvements;

then this Agreement and any rights of the Participant or any assignee or transferee in the Agreement, or arising therefrom with respect to the Agency or the Site, shall, at the option of the Agency, be terminated by the Agency. A termination under this Section 712 shall not prevent the Agency from pursuing any claim for damages or specific performance to which it might otherwise be entitled.

VIII. [§800] SPECIAL PROVISIONS

A. [§801] Real Estate Commissions

Each of the Agency, the Participant represents to the other party that it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of the acquisition of the Site, and agrees to hold harmless the other party from such commissions or fees as are alleged to be due from the party making such representations.

B. [§802] Successors In Interest

The terms, covenants, conditions and restrictions of this Agreement shall extend to and shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties.

Upon the termination of the restrictions imposed by Section 109 of this Agreement, which terminate upon the issuance by the Agency of a Certificate of Completion for all of the Public Improvements, all of the terms, covenants, conditions and restrictions of this Agreement which do not terminate upon the issuance by the Agency of the Certificate of Completion for the entire Site shall be deemed to be, and shall, constitute terms, covenants, conditions and restrictions running with the land.

C. [§803] Amendments to this Agreement

The Participant and the Agency agree to mutually consider reasonable requests for amendments to this Agreement which may be made by lenders, or Agency's counsel or financial consultants, provided said requests are consistent with this Agreement and would not substantially alter the basic business terms included herein.

IX. [§900] ENTIRE AGREEMENT, WAIVERS

This Agreement may be signed in counter-parts, and is executed in five (5) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 34 and Attachments 1 through 8, which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency, the Participant, and all amendments hereto must be in writing by the appropriate authorities of the Agency, the Participant.

In any circumstance where under this Agreement either party is required to approve or disapprove any matter, approval shall not be unreasonably withheld.

X. [§1000] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY

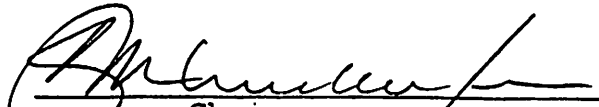
This Agreement, when executed by the Participant and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before thirty (30) days after signing and delivery of this Agreement by Participant or this Agreement shall be void, except to the extent that the

Participant shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement. The date of this Agreement shall be the date when it shall have been signed by the Agency.

IN WITNESS WHEREOF, the Agency and the Participant have signed this Agreement on the respective dates set forth below.

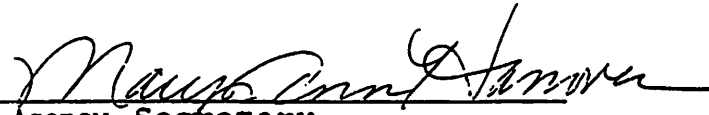
December 15, _____, 1987

SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY

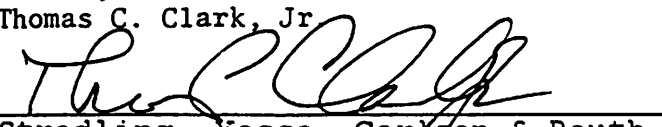
By: 
Chairman
Gary L. Hausdorfer

"AGENCY"

ATTEST:

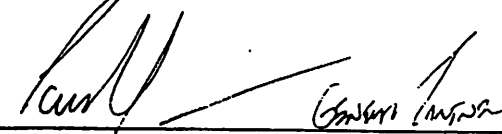

Agency Secretary
Mary Ann Hanover

APPROVED AS TO FORM:

Thomas C. Clark, Jr

Stradling, Yocca, Carlson & Rauth,
Special Counsel to the Agency

_____, Agency Counsel

FRANCISCAN PLAZA INVESTMENT GROUP


Paul Lloyd Farber

"PARTICIPANT"

FIRST AMENDMENT TO
OWNER PARTICIPATION AGREEMENT

COPY

This First Amendment to Owner Participation Agreement ("First Amendment") is entered into as of this 17th day of October, 1989, by and between the San Juan Capistrano Community Redevelopment Agency (the "Agency") and Franciscan Plaza Investment Group, a California corporation (the "Participant").

R E C I T A L S

WHEREAS, Agency and Participant have previously entered into an Owner Participation Agreement dated December 15, 1987, (the "OPA"); and

WHEREAS, the parties mutually desire to add certain provisions to the OPA, including without limitation Amendment of the Lease Agreement between the parties (Attachment No. 4 to the OPA) and provisions concerning reimbursement for costs incurred by the parties or to be incurred by the parties for archaeological studies.

NOW, THEREFORE, the Agency and the Participant agree to amend the OPA as follows:

Section 1. On page 22 of the OPA, in Section 501, entitled "Uses," amend the first full sentence on page 22 to read: "However, in no event shall the number of commuter spaces be less than one hundred thirty-one (131)."

Section 2. On page 22 of the OPA, preceding the first full paragraph add:

As set out in greater detail in that certain Joint Parking Agreement to be negotiated by and between Participant and the Agency (the "Joint Parking Agreement"), after completion of Phase II, in the event circumstances determine that not all of the spaces in the Parking Facility are needed for tenant parking, the Agency shall have the right to obtain and set aside additional commuter spaces upon payment to the Participant of \$5,446 per space. It is the intention of the parties that commuter parking will not affect the evening hours of operation of tenants as set forth in the Joint Parking Agreement.

The Agency shall have the right, upon reasonable notification to Participant, to use of the entire structure for general public parking with no controls or charges for special events and on special days, such as the annual

community celebration of Swallow's Day. Notwithstanding anything herein to the contrary, the number of special event days shall not exceed six (6) days per year, and Participant shall receive notice thirty (30) days prior to such special events. If so requested by the Agency, Participant shall provide space to house the employees and operations for proposed rail baggage service and ticket sales. In the event Agency requests such space in an area other than the office being built in the Parking Facility, or such office needs to be modified for this use, Agency shall make such modifications at its sole cost. If any modifications approved by both parties require a reduction in the number of parking spaces such loss shall result in an equal reduction in the one hundred and thirty-one (131) spaces available for commuters.

Commencing with the opening of the Parking Structure there shall be a minimum charge assessed for use of commuter parking spaces and fifty percent (50%) of said charge shall be payable to Participant.

Participant shall make the restrooms on the first floor of the project available for use by the general public. Signage indicating this shall be approved by both the Agency and Participant and shall be appropriately posted to adequately inform the public of the availability of the restrooms.

Section 3. On page 23 of the OPA, delete the first sentence of the first paragraph of Section B.502 and replace with the following:

* Agency shall have sole discretion in selecting the firm and/or method for managing the parking facility, including the charges for use and other terms of operations subject to providing the tenants of the Participant and the Provincial Building with the required parking spaces and ensuring the Participant receives 50% of the proceeds of all paid parking.

Section 4. On page 30 of the OPA, after Section 803, add new Sections 804, 805, 806, 807 and 808 to read as follows:

"D. [§804] Reimbursement for Archaeological Studies.

1. [§805] Agency Reimbursement for Archaeological Investigations

Participant at its sole cost and expense has caused the investigation for cultural resources on that portion of the Site identified as Assessor's Parcel Nos. 121-150-09, 121-150-10, 121-150-12, 121-150-20, 121-150-21, 121-150-22 (the "Parcels") at a cost of \$24,980. The Agency agrees to

reimburse the Participant for one-half of those costs actually incurred in an amount not to exceed \$12,490. Reimbursement will be made within thirty (30) days after the Participant has submitted a final accounting to the Agency with supporting documentation which evidences the costs actually incurred in the cultural resources investigation of the Parcels.

2. [\$806] Participant Reimbursement For Archaeological Investigations

Agency at its sole cost and expense has caused the further investigation of the Parcels for archaeological resources at a cost not to exceed \$141,188, under an agreement with the Chambers Group dated May 3, 1989 (the "Chambers Group Agreement"), and amended through subsequent authorized change orders. The Participant agrees to reimburse the Agency for a portion of the costs actually incurred under the Chambers Group Agreement in an amount of \$35,297. Reimbursement will be made within thirty (30) days of the completion of work under the Chambers Group Agreement.

In addition, Participant shall at its sole cost and expense has caused further archaeological investigation of the Parcels at a cost of \$212,897. The Agency agrees to reimburse the Participant for additional mitigation measures in an amount not to exceed \$158,984. Reimbursement will be made within thirty (30) days after the Participant has submitted a final accounting to the Agency with supporting documentation which evidences the costs actually incurred and paid in the cultural resources investigation of the Parcels.

The Agency's total obligations in Section 805 and 806 is \$277,365., of which \$74,899.53 has already been paid. The remainder shall be reimbursed according to the provisions set forth in Sections 805 and 806.

3. [\$807] Agency Ownership of Archaeological Finds

Participant agrees that in return for the reimbursement promised and the cost incurred by the Agency under Sections 805 and 806 that the Agency shall become the sole owner of any archaeologically significant materials, objects or other finds located on the Parcels. Participant shall have the right to display selected items from the archeological finds located on the Parcels provided they are properly displayed and adequately protected as required by Agency. Agency shall have the right to approve the specific items and period of display. In the event that the Agency determines to transfer the ownership interest in

any of said finds located on the Parcels, then the proceeds of said transfer shall be divided on a fifty percent (50%) basis between the Agency and the Participant.

4. [§808] Liability

Participant shall protect, defend, indemnify and hold harmless the City of San Juan Capistrano (the "City"), the Agency and their elective and appointive boards, officers, agents and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorney fees, for injury to, or death of, any person, and for injury to any property, including consequential damages of any nature resulting therefrom, arising out of or in any way connected with the performance under Sections 805 or 806 of this Agreement by, or on behalf of Participant.

Participant shall comply with all of the provisions of the Worker's Compensation Insurance and Safety in Employment Laws of the State of California, including the applicable provisions of Divisions 4 and 5 of the California Labor Code and all amendments thereto, and all similar state, federal, or local laws applicable; and shall indemnify and hold harmless the City and the Agency and their employees, officers and agents from and against all claims, liabilities, expenses, damages, suits, actions, proceedings and judgments of every nature and description, including attorney's fees, presented, brought or recovered against City or Agency, for or on account of any liability under any of said laws which may be incurred by reason of any work performed under Sections 805 or 806 of this Agreement by Participant or on its behalf.

Agency and City do not, and shall not, waive any rights against Participant which they may have by reason of this Section 808 because of the acceptance by City or Agency or the deposit with City or Agency by Participant of any insurance policies or certificates of insurance purporting to indemnify for the aforesaid losses. The aforesaid hold-harmless agreements by Participant shall apply to all liabilities, claims, expenses, and damages of every kind including, but not limited to, attorney fees, suffered or alleged to have been suffered, by reason of the aforesaid operations of Participant or any subcontractor or others performing on behalf of Participant, regardless of whether or not such insurance policies are applicable."

Section 5. On pages 3 and 4 of Attachment No. 4 to the OPA (the "Lease Agreement") amend Section 4(a) to read as follows:

"(a) **Rent.** For each of the periods (the "Rental Periods") commencing six (6) months from the date the City allows the occupancy of the Parking Facility through the issuance of the Certificate of Occupancy or a Temporary Certificate of Occupancy on the Parking Facility in conformity with the Agreement and continuing according to the schedule below for the first six (6) Rental Periods and thereafter on an annual basis, the Lessee agrees to pay to the Lessor as the Base Rent the sum of One Dollar (\$1.00). The Certificate of Occupancy or Temporary Certificate of Occupancy shall not be withheld due solely to a delay in the Participant's installation of the equipment necessary for commuter parking. In addition to the Base Rent, the Lessee agrees to pay to the Lessor Supplemental Rent for the first three (3) Rental Periods according to the following table:

<u>Rental Period</u>	<u>Ending In Month</u>	<u>Amount of Supplemental Rent</u>
1	6	\$312,540
2	18	281,271
3	36	250,024

At the end of the third operating year after the date of issuance of the certificate of completion for the Parking Facility, the Lessee and Lessor shall review the actual performance to determine the third year net cash flow after debt service and before distribution to the Participant as a percentage of equity. In making this calculation, equity shall be the difference between the construction lender(s)' or permanent lender(s) determination of project value for the purposes of making the construction loan and the amount of the loan. Using this percentage the Lessee shall pay an additional amount of Supplemental Rent for Rental Periods 4, 5 and 6, ending in months 48, 60 and 72 respectively, based on the following table:

<u>Cash Flow as % of Equity</u>	<u>Additional Amount of Supplemental Rent</u>
less than 0%	275,000
0% to 4.0%	200,000
4.0% to 8.0%	175,000
8.0% to 13.0%	150,000
13.0% to 17.0%	125,000
more than 17.0%	-0-

Section 6. Option to Purchase.

The Agency shall have the right to purchase the Parking Facility at its sole option. This option may not be exercised before two (2) years after the certificate of completion has

been issued on the entire project (Phase I and Phase II), and must be exercised no later than seven (7) years after the issuance of the certificate of completion for the entire project.

The Agency and the Participant shall begin negotiations to set the price at which the Agency may purchase the Parking Facility and the lease back costs within thirty (30) days of the execution of this First Amendment. At the time of negotiations, the Agency and the Participant shall agree in writing on all factors which shall be used to establish a value for the structure including, but not limited to, the following criteria:

1. The original construction cost of the Parking Facility including hard costs, soft costs and offsites.

2. The original cost of the land on which the Parking Facility is located.

3. Payments the Participant has made to the date of the purchase for financing fees, principal and interest on the portion of his financing dealing with the Parking Facility.

4. Compensation paid to date by the Agency to the Participant for the lease of the structure.

5. Such other factors as the Agency or the Participant may deem appropriate in establishing a value for the structure.

Unless otherwise modified by agreement between the Agency and the Participant, upon purchasing the Parking Facility the Agency and the Participant shall ensure the following:

1. Adequate parking shall be maintained for the tenants of Franciscan Plaza and the Provincial Building according to conditions set forth in the Joint Parking Agreement.

2. The Participant shall continue to: (i) receive its share of the compensation collected by the Agency for the paid parking and (ii) pay its share of the CAM charges.

In the event that the parties are unable to come to an agreement by October 1, 1990 as to the option purchase price this option shall be terminable by either party. In the event that this section is found to be unenforceable or invalid such unenforceability or invalidity shall not effect any other provision of this Agreement which shall remain in full force and effect.

Section 7. Each and every provision of the OPA remains in full force and effect and survives this Amendment. The OPA is incorporated herein by this reference.

SAN JUAN CAPISTRANO COMMUNITY
REDEVELOPMENT AGENCY

By: *Kenneth E. Friess*
Kenneth E. Friess, Chairman

ATTEST:

Mary A. Harvill
Agency Secretary

APPROVED AS TO FORM:

David C. Stradling
Stradling, Yocca, Carlson & Rauth
Agency Attorney

FRANCISCAN PLAZA INVESTMENT GROUP

By: *Paul Farber*
Paul Farber, President
General Partner

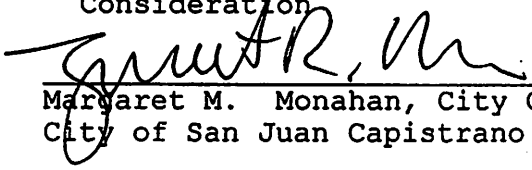
COPY

Recording Requested by:
City of San Juan Capistrano

Recording fees exempt due to Govt
Code 6103
Documentary Transfer Tax - No
Consideration

And when recorded, please mail to:

City of San Juan Capistrano
City Clerk's Department
32400 Paseo Adelanto
San Juan Capistrano, CA 92675


Margaret M. Monahan, City Clerk
City of San Juan Capistrano

Second Amendment to Owner Participation Agreement

This Second Amendment to Owner Participation Agreement ("Second Amendment") is entered into as of this 7th day of May, 2002, by and between the San Juan Capistrano Community Development Agency (the "Agency") and Busk Development, Inc. (hereinafter referred to as "Owner").

Recitals

Whereas, the Owner Participation Agreement was executed by the Agency and Franciscan Plaza Investment Group, the original developer of the Franciscan Plaza project (the "Participant"), on December 15, 1987; and,

Whereas, the First Amendment to the Owner Participation Agreement was executed by the Agency and the Participant on October 17, 1989; and,

Whereas, the current "Owner" and Agency desire to amend certain provisions of the Owner Participation Agreement and its First Amendment.

Now, therefore, the Agency and Owner agree to amend the Owner Participation Agreement and the First Amendment to the Owner Participation Agreement as follows:

Section A. Section 1 of the First Amendment to the Owner Participation Agreement and Section 501 of the Owner Participation Agreement shall be amended to provide for seventy-three (73) commuter parking spaces.

Section B. Except to the extent that the Owner Participation Agreement and the First Amendment to the Owner Participation

Land are modified by the First Amendment each and every provision of the Joint Parking and Maintenance Agreement remains in full force and effect and survives this Amendment. The Joint Parking and Maintenance Agreement is incorporated herein and by this reference. If any ambiguity exists between this First Amendment and the Joint Parking and Maintenance Agreement, this First Amendment shall control.

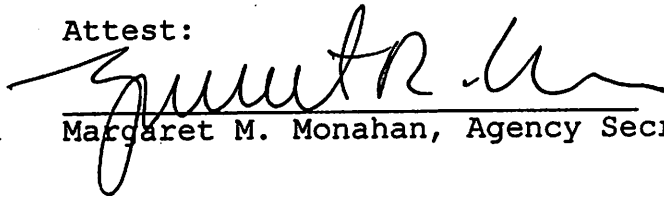
In Witness Whereof, the parties have executed this First Amendment as of the day and year above written.

Approve as to Form:



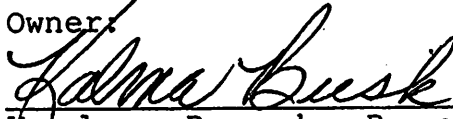
John Shaw, Agency Council

Attest:



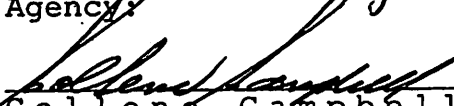
Margaret M. Monahan, Agency Secretary

Owner:



Kalma Busk, Busk
Development, Inc.

Franciscan Plaza, LLC
Agency:



Collene Campbell,
Chairperson

RECORDED IN OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA

89-681025

4:00 PM DEC 15 1989

Lee A. Branch Recorder

EXEMPT C14

Recording Requested by:
City of San Juan Capistrano

Recording fees exempt due to Govt Code 6103
Documentary Transfer Tax - No Consideration

And when recorded mail to:
City of San Juan Capistrano
City Clerk's Department
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Cheryl Johnson Deputy
Mary Ann Hanover, City Clerk
City of San Juan Capistrano

MAIL TO

JOINT PARKING AND MAINTENANCE AGREEMENT AND
DECLARATION OF COVENANTS
RUNNING WITH THE LAND

THIS JOINT PARKING AND MAINTENANCE AGREEMENT AND DECLARATION OF COVENANTS RUNNING WITH THE LAND (the "Agreement") is made and entered into on this 5th day of December, 1989, by and between Franciscan Plaza Investment Group, a California limited partnership, (hereinafter referred to as "Developer") and the San Juan Capistrano Community Redevelopment agency, a public body, corporate and politic (hereinafter referred to as "Agency").

RECITALS:

This Agreement is made and entered into on the basis of the following facts, understandings and intentions of the Parties:

A. On or about September 30, 1987, Developer and Robert L. Larasen and Dorothy Ngaire Larsen, Trustee of the Robert L. Larsen and Dorothy Ngaire Larsen 1984 Inter Vivos Trust, Dated December 6, 1984 ("Larsen" collectively herein) entered into a certain Easement Agreement (the "Developer/Larsen Easement Agreement") which was recorded December 18, 1989 as instrument number 87-700180 in Official Records of Orange County, California which provided for certain reciprocal easements appurtenant to the properties owned by Developer and Larsen, respectively, and which contains an agreement concerning parking in the Parking Facility hereinafter defined. The term "Larsen Parcel" as used herein shall mean those certain lands referred to as the Larsen Parcel in the Developer/Larsen Easement Agreement.

B. On or about December 15, 1987, Developer and Agency entered into a certain Owner Participation Agreement (the "OPA") which defined a certain Parking Facility and made provision for a

future lease between Developer and Agency for said Parking Facility as well as the potential subsequent acquisition of the fee interest in the Parking Facility by Agency from Developer. The Parking Facility is indicated on Attachment No. 1 attached hereto and is a structure built on a portion of those lands more fully described in Attachment No. 2 attached hereto. The potential subsequent acquisition of the fee interest in the Parking Facility is subject to Developer's compliance with the California Subdivision Map Act. All terms used in this Agreement are more fully defined in said OPA, said OPA being incorporated by reference herein.

C. Concurrently with the grant of an estate in the Parking Facility from Developer to Agency (defined as the "Lease Transfer" in the OPA), Developer and Agency desire to set forth certain covenants which will run with the Parking Facility and pertain to the operation and use of said Parking Facility as (1) an integral part of the contiguous real property fully defined in Exhibit A attached hereto (the "Shopping Center"), (2) an integral part of the contiguous real property fully defined in Exhibit B attached hereto (the "Larsen Parcel") pursuant to the terms of the Developer/Larsen Agreement, and (3) as a public facility used for paid commuter parking. The Shopping Center together with the Parking Facility shall be collectively referred to herein as the "Parcels".

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other valuable consideration, the Parties agree as follows:

1. DEFINITIONS. Each reference in this Agreement to any of the following terms shall mean:

1.1. Building Area. Those areas to be utilized for construction of the building and improvements intended for commercial or office use on the Shopping Center.

1.2. Common Area. All areas of the Parking Facility together with the "pedestrian promenade" and "pedestrian bridge", all as shown and indicated on Attachment No. 1 hereto together with the "Camino Capistrano driveway" shown and indicated on Attachment No. 2 hereto. Any enlargement of or addition to the Common Area as provided herein shall be included in the definition of Common Area for purposes of this Agreement.

1.4 Occupant. Any person or persons from time to time entitled to the use and occupancy of any portion of the Building Area in the Shopping Center or the Larsen Parcel under this Agreement or any lease, license or concession agreement, or other instrument or arrangement under which the Occupant acquires its

right to such use and occupancy. Occupant shall include the officers, directors, employees and agents of such persons.

1.5 Parking Area. That portion of the Common Area used for parking of motor vehicles, including without limitation, incidental and interior roadways, walkways, curbs and landscaping within the areas used for such parking, together with all improvements which at any time are erected thereon, but excluding parking equipment or space to house the employees and operations for proposed rail baggage service and ticket sales and for security personnel located in the Common Area. Any enlargement of or addition to the Parking Area shall be included in the definition of Parking Area for purposes of this Agreement.

1.6 Parties. Agency and Developer and their respective successors in interest to their respective interests in the Shopping Center and Parking Facility, as shown on the Official Records of Orange County, California.

1.7 Users. All persons granted permission to utilize the Common Area, including without limitation, Occupants, Parties, employees and service people, licensees, invitees, customers, owners, contractors, agents, lessees, sublessees, tenants and concessionaires.

1.8 Commuters. Members of the public who have paid a daily fee in the minimum amount of Two Dollars (\$2.00) per day for a license to park their vehicles in the Parking Facility.

2. GRANT OF RECIPROCAL EASEMENTS.

2.1 Common Area Easements. The Common Area on each Parcel shall be used only for the following purposes related to the business and activities conducted in the Shopping Center and in the Larsen Parcel and related to the use of the Parking Facility for paid Commuter parking:

a. Parking. Parking of motor vehicles in the Parking Facility. The number of spaces allocated without charge to the Users and Occupants of the Shopping Center shall be based upon a determination of the parking spaces necessary for the commercial uses as determined by the City of San Juan Municipal Code (the "Code"). Additionally, a certain number of spaces shall be allocated to Users and Occupants of the Larsen Parcel as set forth in Section 7.1.a. hereinafter. The remainder of the spaces shall be allocated to Commuters. This proportion shall be readjusted if a change in the use of the commercial space requires a greater or lesser number of parking spaces under the Code. Notwithstanding, (1) in no event shall the number of Commuter spaces be less than

one hundred thirty-one (131) and (2) in the event that, after completion of Phase II, circumstances determine that not all of the spaces in the Parking Facility are needed prior to 7 P.M. for parking by Users and Occupants of the Shopping Center, the Agency shall have the right to obtain and set aside additional Commuter spaces upon written agreement between the Parties and upon payment to the Developer of \$5,446.00 per space or more; it being agreed and understood that the sum of \$5,446.00 was arrived at based upon a projected cost of \$1,203,566.00 and a total of 221 spaces for the purposes of this Section 2.1.a.

Subject to the rights hereto granted by Developer to Users and Occupants of the Shopping Center, the Agency shall have the right, upon reasonable notification to Developer, to use all of the Parking Facility for public parking on Swallow's Day and up to five (5) additional "Special Days" per year upon reasonable notice to Developer. In such event, no fee shall be collected from persons parking in the Parking Facility. On such days, Users and Occupants shall continue to have the right to use the Parking Facility but such use will be on a "first come, first serve" basis.

The Agency may promulgate, and shall use their best efforts to enforce, rules and regulations pertaining to parking. Agency shall have sole discretion in selecting the firm and/or method for managing the parking facility, including the regulations, reasonable charges for Commuter parking use and other terms of operations subject to the terms of this Agreement. As of the date of this Agreement, however, Developer has been designated by Agency as the manager of the Parking Facility and, as manager, Developer will continue to receive a management fee from Agency, it being agreed and understood that the management fee is equal to the administrative fee included in common area maintenance charges described hereinbelow. Agency may at any time upon thirty (30) days written notice to Developer select an alternative management firm. The purpose of the rules and regulations shall be to ensure order and safety but shall not unreasonably interfere with the rights granted Developer hereunder. All fees collected by the Agency (or Developer if Developer is acting as manager of the Parking Facility) shall be distributed, on a 50/50 basis, between Developer and Agency on a quarterly basis. No offset shall be made for common area maintenance charges. Agency (or Developer if Developer is acting as manager of the Parking Facility) shall bill Developer (or Agency if Developer is acting as manager of the Parking Facility) quarterly for the other Party's share of common area maintenance charges attributable to the Parking Facility pursuant to Section 3.2 hereinafter and such charges shall be paid

within forty-five (45) days of billing.

b. Ingress and Egress. Ingress and egress by any Users and any motor vehicles of such Users to and from any portion of the Common Area and the public streets adjacent to the Common Area.

c. Public Utilities. Installation, maintenance and operation of public utilities and services for the Common Area or Building Area, together with and including, without limitation, vaults, manholes, meters, transformers, pipelines, valves, hydrants, sprinkler controls, conduits, sewage facilities, and all related facilities, all of which shall whenever and wherever reasonably feasible be located below the surface of the Common Area, or the surface of any other above ground improvements located thereon; provided, however, that in any event, all of the foregoing permitted public utilities and installations, which are located above the surface of the Common Area, shall be placed so as not to interfere with, restrict, or impede other uses of Common Area provided for herein.

d. Pedestrian Traffic. Pedestrian traffic by Users between business establishments in the Building Areas, between the Building Areas and the Common Area, and between the Building Areas and Common Area and the adjoining streets.

e. Comfort and Convenience. Minor comfort and convenience facilities for Users, such as mailboxes, public telephones, and benches, as each Party may from time to time deem appropriate to construct or permit to be constructed on the respective Parcels; provided, however, that no such minor inconvenience facilities shall interfere with, restrict or impede other uses of the Common Area provided herein.

f. Temporary Construction Activity. Construction, maintenance, repair, replacement, rearrangement and remodeling of buildings and improvements within Building Areas, and Common Areas, landscaping, pedestrian walkways and other improvements in the Common Area not substantially affecting or changing the Common Area except as permitted or required herein. All such work shall be conducted in the most expeditious manner reasonably possible to minimize the interference with use of the Common Area, shall be diligently prosecuted to completion, and shall otherwise be performed in compliance with the provisions of Section 2.5 hereof. In connection with work of construction performed with Building Areas; incidental encroachment upon Common Area may occur as a result of the use of ladders, scaffolding, store-front barricades and similar facilities resulting in temporary obstruction of portions of the Common Area, all of which are permitted hereunder so long as their use is kept within reasonable requirements of

construction work expeditiously pursued. Common Area may be utilized from ingress and egress of vehicles transporting construction materials and equipment and persons employed in connection with any work provided for herein and temporary storage of materials and vehicles being utilized in connection with such construction, subject to all of the other terms of this Agreement.

g. Service and Delivery Vehicles. Ingress, egress, and temporary parking of delivery and service vehicles travelling to and from the Building Areas, or any portion thereof, and the public streets adjacent to the Shopping Center for the delivery of goods, wares, merchandise, furniture, fixtures, supplies and equipment, and the rendering of services to any Occupant.

h. Doors and Exits. The opening on to the Common Area of doors and other exits of portions of the building Areas contiguous to the Common Area.

i. Foundations, Footings, Overhangs and Canopies. Installation, repair, replacement and maintenance of: (i) building foundations and footings; (ii) building canopies and canopy support columns; and (iii) pilasters and other building columns or pillars extending from any portion of the Building Area of any Parcel, over, onto, under and into the Common Area; provided, however, that building foundations and footings shall not extend beyond a lateral distance of five feet (5') from the Building Area limit lines upon which the building is located; and provided, further, that any building canopies or building overhangs on any building on a Parcel shall not in any event extend beyond the vertical plane of the outside edge of a sidewalk in the Common Area located on the Parcel, adjoining the Building Area perimeter.

j. Encroachments. Minor encroachments of building overhangs, support columns, canopies, eaves and signs from a Building Area into the Common Area.

2.3 Grant of Easements by Parties. Each Party grants to the other Party non-exclusive easements over, across, in, under and through each Parcel and appurtenant to and for the benefit of the other Parcel, for the uses and purposes set forth in Section 2.1 and 2.2. Each Party further grants to the other Party a non-exclusive easement, appurtenant to and for the benefit of their respective Parcels, for ingress, egress and access to the Common Area located over, along, and under each Party's Parcel for the purpose of effectuating any necessary repairs, maintenance and replacement of the Common Area located on each Parcel as provided herein.

2.4 Use, Duration, and Termination of Easements.

a. Use and Duration. Each easements granted herein shall be used by the Parties as an appurtenance to and for the benefit of their respective Parcels, and solely for the purpose of developing and operating the Parcels pursuant to a common plan of beneficial use. Any such easement shall terminate with respect to the benefitted and burdened Parcels after the termination of this Agreement under Section 11.2 if the use thereof for the benefit of a Parcel is abandoned for a continuous period of two (2) years.

b. Procedure to Establish Termination. Abandonment and termination of an easement hereunder shall be presumed for the benefit of any Parcel burdened by such easement upon compliance with the following procedures by the then record owner of such Parcel. Such record owner shall record a notice and affidavit in the Office of the Recorder of the County of Orange which shall contain the following:

(i) Name. The name of the record owner of the burdened Parcel.

(ii) Statement of Abandonment. A statement concerning the basis upon which the easement is deemed abandoned.

(iii) Identification of Owner. An identification of the record owner of the Parcel benefitted by the abandoned easement and the identification of the record owner, if any, of any leasehold interest in such Parcel.

(iv) Parcel Description. A description of the Parcel burdened and the Parcel benefitted by the easement.

The foregoing notice and affidavit shall be duly verified and acknowledged and contain a certificate verifying that a copy thereof has been served upon the then record owner of the Parcel benefits by such easement that the then record owner, if any, of the leasehold interest in such benefitted Parcel by mailing such notice, certified mail, return receipt requested, postage prepaid to the address given for mailing tax statements in the office of the Tax Collector of Orange County. The notice and affidavit under subsection b. shall create a conclusive presumption binding upon all persons owning any interest in either the Parcel benefitted or the Parcel burdened by the easement claimed to be abandoned, unless the record owner of the fee interest in the Parcel benefitted by such easement or any record owner of any leasehold interest in such Parcel records, in the Office of the Recorder of Orange County, and concurrently serves on the then record owner of the Parcel burdened by such easement, a notice and affidavit setting forth the following information:

(i) Name. The name of the persons giving the notice and affidavit, identifying the basis upon which such person claims to have the requisite record interest in the benefitted Parcel;

(ii) Basis of Non-Abandonment. A statement setting forth the facts constituting the claim for non-abandonment of the easement;

(iii) Identification of Owner. An identification of the record owner of the Parcel burdened by the easement; and

(iv) Parcel Description. A description of the Parcel benefited and the Parcel burdened by the easement.

Such notice and affidavit shall be duly verified and acknowledged and contain a certificate verifying that a copy thereof has been served upon the then record owner of the Parcel burdened by the easement by mailing such notice, certified mail, return receipt requested, postage prepaid, to the Address given for mailing tax statements in the office of the Tax Collector of Orange County.

d. Relocations of Utilities. Upon termination of this Agreement, the rights of the then owners of the Parcels with respect to the easements for utilities under Section 2.2(c) shall be governed by the provisions of Section 2.5, to relocate any utilities serving any other Parcel, provided that such relocation is done at the sole cost and expense of the owner accomplishing such relocation and, provided, further, that such relocation does not interfere with or increase the cost of the provision of utility services to the parcel benefited by such utilities.

2.5 Utility Easements. The Parties shall cooperate with one another and permit installation of any necessary utility and service lines, sanitary or storm water drainage sewers, water lines, telephone conduits or lines, and all other public utilities jointly and mutually to serve the Parcels and Building Areas. Any such utilities shall not be located under any building located on any Building Area, shall be constructed as is reasonably possible so as not to interfere unduly with the overall development and operation of each Parcel by the Parties hereto, and shall otherwise conform to the applicable requirements of this Article 2. All such utilities shall be separately metered or separately assessed for the respective use of the Building Areas located on each Parcel.

2.6 Maintenance of Utility Facilities. All separate utility facilities installed by any Party pursuant to the easements granted under this Article 2 designed to serve exclusively the Building

Area on such Party's Parcel shall be installed, maintained, repaired and removed by such Party without cost or expense to the other Party; provided, however, that if the other Party connects into or utilizes such separate utility facilities pursuant to any easement granted under this Article 2, then each Party shall be responsible for the installation, maintenance, repair and removal in connection with its utilization of such separate utility facilities.

2.7 Indemnification by Parties. Each Party shall indemnify, defend and hold the other Party harmless of and from any and all loss, cost, damage, injury or expense (including without limitation reasonable attorneys' fees) arising by reason of injury to or death of persons, damage to property or claims of lien for work or labor performed, materials or supplies furnished arising out of or in connection with use by the indemnifying Party of the easements granted hereunder or the exercise by such Party of the rights granted to it in this Agreement. Any Party may contest any lien or claim of lien asserted against such Party or its Parcel; provided, however, that such Party shall pay and fully discharge any such claim of lien within five (5) days after entry of final judgment adverse to such Party in any action to enforce or foreclose the same, which judgment shall be deemed final when it can be enforced by execution or judicial sale and no such judgment shall be considered final for the purpose hereof during the pendency of a stay of execution in connection with an appeal, or during the time in which an appeal may be taken.

3. MAINTENANCE

3.1 Building Upkeep and Maintenance. Each Party shall, without cost or expense to the other Party, provide for appropriate upkeep and maintenance for the exterior of their buildings and improvements located in the Building Area of each Party's Parcel.

3.2 Maintenance of Common Area. Each party shall, without cost or expense to the other Party, provide for appropriate upkeep and maintenance for the Common Area located on such party's parcel. The Parties' obligations to maintain the Common Area shall include but not be limited to the following:

a. Paved Areas. Maintaining all paved surfaces and curbs of the Common Area in a smooth and evenly covered condition which maintenance work shall include, without limitation, cleaning, sweeping, restripping, repainting, repairing and resurfacing of the Parking Area, and curbs, using surfacing material of a quality equal or superior to the original surfacing material.

b. Debris and Refuse. Removal of all papers, debris,

filth, refuse, snow and ice, and sweeping the Common Area to the extent necessary to keep the Common Area in a first class, clean and orderly condition; provided, however, that each Party shall install, operate and properly maintain, or cause to be so installed, operated and maintained, on its Parcel, without cost or expense to the other Party and so as not to be visible to the general public doing business at the Shopping Center, sufficient trash compactors, or enclosed or lidded trash bins, for use in connection with storage or all trash, refuse and waste materials of the Occupants of such Party's Parcel and each Party shall take, or cause to be taken, all necessary measures to keep the Parcels free from all debris and rubbish caused by from such facilities.

c. Signals and Markers. Placing, keeping in repair, replacing and repainting any appropriate directional signs, markers and lines.

d. Parking Area Lighting. Operating, keeping in repair, cleaning and replacing when necessary such Common Area lighting facilities as may be reasonably required, including all exterior lights attached to buildings located on Building Areas which are intended to illuminate the Common Area.

e. Landscaped Areas. Cleaning and maintaining all landscaped areas, including landscaping and planters adjacent to exterior walls of buildings, repairing automatic sprinkler systems or water lines in the Common Area, weeding, pruning, fertilizing and making replacement of shrubs and other landscaping as necessary.

f. Utilities. Maintaining, cleaning and repairing any and all common storm drains, utility lines, sewers and other utility systems and services located in the Common Area which are necessary for the operation of the Common Area and the Building Area, and any buildings and improvements therein.

g. Insurance. The maintenance of the following policies of insurance:

(1) Insurance against loss or damage to the aboveground portion of the Parking Facility resulting from fire, earthquake, lightning, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage" and such other perils as Agency and Developer may agree should be insured against, if such insurance is available from reputable insurers. In the event that either party determines that the earthquake portion of the insurance required in this Section 3.g.(1) has become economically unreasonable to obtain, it may request relief from the other party for this requirement and the other party shall not unreasonably withhold its permission to modify this section if it

unreasonably withhold its permission to modify this section if it too determines that such a requirement has become an economically unreasonable burden. Such insurance shall be maintained in an amount not less than the full insurable value of the Parking Facility subject to a "deductible clause" in the amount of Ten Thousand Dollars (\$10,000.00) and shall contain an inflation guard endorsement. The term "full insurable value" as used in this Section shall mean the actual replacement cost "new";

(2) public liability insurance against claims for bodily injury or death, or damage to property occurring upon, in or about the Common Area, such insurance to afford protection to a limit of not less than Two Million Dollars (\$2,000,000.00) combined single limit bodily injury and property damage with not greater than Ten Thousand Dollars (\$10,000.00) deductible;

(3) Worker's compensation insurance, if applicable, issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such worker's compensation insurance to cover all persons employed in connection with the Parking Facility and to cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death during or in connection with the Parking Facility or the business of the Developer and activities of the Agency with respect to the Parking Facility.

h. City, county, state or federal governmental impositions placed on or based upon the Common Area or revenues derived therefrom.

Notwithstanding the above, Agency shall select a qualified management company for the maintenance and operation of the Parking Facility. The Agency shall enter into an agreement with the selected management company and the cost of those common area maintenance charges for the Parking Facility as described in (a) through (h), inclusive, hereinabove together with an administrative fee equal to fifteen percent (15%) of the common area maintenance charges shall be allocated between the Agency and Developer in proportion to the ratio of Commuter parking spaces and spaces used by the Users and Occupants of the Shopping Center. This ratio shall be determined with regard to the hours of 6:00 A.M. to 6:00 P.M. Mondays through Fridays. The following equation expresses this ratio:

Agency's portion (# of Commuter (12 hrs)
of CAM charges Spaces)

=
Total CAM charges (Total # of (17 hrs)
Spaces)

The number of Commuter parking spaces and the number of parking spaces allocated to Users and Occupants of the Shopping Center and the Larsen Parcel shall be determined in accordance with Section 2.1.a. hereinabove. All common area maintenance charges, including the administrative fee, to be allocated between Agency and Developer shall be paid within forty five (45) days after billing.

4. RESTRICTIONS ON BUILDING AREA USE.

In the event Agency makes a good faith determination, subject to review by Developer, that the Parking Area is insufficient to meet the demand for parking by Users between the hours of 7 p.m. to 6 a.m., Agency will so notify Developer and Developer shall have sixty (60) days within which to designate, by way of notice to Agency, up to four thousand five hundred (4,500) square feet of Building Area with the Franciscan Plaza Project Phases I and II which Developer agrees will thereafter not be open to the public between the hours of 7 p.m. to 6 a.m. Developer, by way of notice to Agency, may at any time change the Building Areas so restricted provided that at all times at least four thousand five hundred (4,500) square feet of Building Area in the Project shall be so restricted.

5. RIGHTS ON DEFAULT.

5.1 Legal Rights on Default. Each Party shall have the right to prosecute any proceedings at law or in equity against the other Party, or any other person, violating or attempting to violate or defaulting upon any of the provisions contained in this Agreement, in order to prevent the violating or attempting to violate or defaulting upon the provisions of this Agreement and to recover damages for any such violation or default. The remedies available under this Section 5.1 shall include, by way of illustration but not limitation, ex parte applications and permanent injunctions enjoining any such violation or attempted violation or default, and actions for specific performance of the Agreement.

6. ESTOPPEL CERTIFICATE. Any Party may, at any time and from time to time, in connection with the sale or transfer of the Party's Parcel, or in connection with the financing or refinancing of the Party's Parcel by mortgage, deed of trust or sale leaseback made in good faith and for value, deliver written notice to the other Party requesting such Party to certify in writing that to the best knowledge of the certifying Party, the requesting Party is not

in default in the performance of its obligations under this Agreement, or, any and all defaults. The Party receiving such request shall execute and return such certificate within thirty (30) days following the receipt thereof. Failure by a Party so to execute and return such certificate within the specified period shall be deemed an admission on such Party's part that the Party requesting the certificate is current and not in this Agreement. The parties acknowledge that such certificate may be relied upon by transferees, mortgagees, deed of trust beneficiaries and leaseback lessors.

7. TRANSFERS OF INTEREST, RIGHTS, POWERS AND OBLIGATIONS.

7.1 Limitations on Parties. In no event shall the rights, powers and obligations conferred upon the Parties hereto pursuant to this Agreement be at any time transferred or assigned by any of such Parties except through a transfer of their respective interests in their respective Parcels or except as specifically set forth to the contrary in this Subsection 7.1, and then only to the extent and in the manner hereinafter provided;

a. Rights of Larsen. Subject to Developer's obligations as contained in the Developer/Larsen Agreement, the Occupants and Users of the Larsen Parcel (as defined above) shall have the right to use, without any charge or fee, during the daytime from 8:00 A.M. to 7:00 P.M., the following number of parking spaces:

(i.) The number of parking spaces required by the City of San Juan Capistrano for the building located this date on the Larsen Parcel based upon its current square footage; and

(ii.) Such additional parking spaces as may be needed for up to, but not to exceed, an additional Six Thousand (6,000) square feet addition to the building on the Larsen Parcel, provided such additional square footage is for retail or office type of tenants and does not require more than one (1) parking space per 250 square feet of tenant space or a maximum of twenty-four (24) parking spaces.

Notwithstanding, Larsen is not a Party (as defined hereinabove) to this Agreement and Larsen shall have no rights, interests or liabilities under this Agreement except the parking rights conferred in this Subsection a.

b. Transfer of Entire Interest. In the event of the transfer, conveyance or termination of the whole of the interest of the Party in its Parcel (or any leasehold interest in a Parcel) without retaining any beneficial interest therein other than as a beneficiary under the terms of a deed of trust or mortgage or

without simultaneously acquiring a new interest by way of leasehold, life estate, or any other similar interest, than the rights and powers conferred upon and the obligations under this Agreement of the transferring Party shall be transferred and assigned with its interest.

c. Retention of Interest. In the event that (i) the whole of the interest of any party in its Parcel is transferred or conveyed, but a new interest is created in the transferring Party simultaneously with the conveyance of its previous interest, by way of leasehold, life estate, or any other similar interest, or (ii) the transferring Party shall convey its interest in its Parcel, or a portion thereof, by deed of trust, mortgage or other security instrument as security for the obligation or indebtedness of such Party, then none of the rights and powers conferred upon or obligations under this Agreement of the transferring Party shall be transferred or assigned with the transfer or conveyance of its interest, but all of the rights and powers conferred upon and obligations under this Agreement of the transferring Party shall remain in such Party as long as such Party retains, under (i) above, the new interest in and to its Parcel (other than as beneficiary under the terms of a deed or trust or mortgage), or so long as such Party remains under (ii) above, the beneficial owner of its Parcel. Upon the termination of the new interest created in the transferring Party as specified in this Subsection c., the rights and powers conferred upon, or the obligations of such Party shall vest in accordance with Subsection b. or d. hereof, whichever is applicable, as if the new interest created in such Party had never existed, subject only to the provisions of Article 11 of this Agreement.

d. Multiple Ownership. In the event that any Party shall transfer or convey its interest in its Parcel, or any portion of its Parcel or interest in its Parcel, in such manner as to vest ownership of the Parcel or interest therein in more than one person, then the persons owning all of such interest in such Parcel shall be jointly considered a single Party and such persons involved in the transaction creating the multiple interest shall designate one of their number to act on behalf of all such Persons in the performance of the provisions of this Agreement. Any such designation shall be in writing, duly executed, verified and acknowledged by each such person, shall be served upon the other Party in accordance with the notice provision of this Agreement, shall contain a certificate that a copy thereof has been so served, and shall be recorded in the Office of the Recorder of the County of Orange. In the absence of such written designation, the acts of the Party whose interest is so divided with respect to the performance of the provisions of this Agreement shall be binding upon all of the persons owning any interest in such Party's Parcel,

until such time as the written designation is properly served and recorded as provided by this Subsection d. The exercise or performance of any rights, powers or obligations of a Party under this Agreement by the person designated to represent such Party shall be binding upon all persons having an interest or right in such parcel and/or upon all persons having an interest in such Party. So long as such designation remains in effect, all persons having an interest or right in the Parcel and/or all persons having an interest in such Party shall act only through such persons designated hereunder and the other Parties shall have the right to deal exclusively with and rely solely upon the act or omissions of such person in the performance or provision of this Agreement. Any person designated hereunder may be removed by the persons so designating, in accordance with any procedure agreed to between them, provided that written notice of such removal and designation of a new person to act as the Party on behalf of all such persons under this Agreement is given and made in the manner specified in this Subsection d., and in absence of any such written notice and designation, the previous designation shall continue in effect and the acts of the person previously designated with respect to the performance of the provisions of this Agreement shall be binding upon all such persons until such time as the written notice and designation is properly served as provided by this Subsection d.

Any person designated pursuant to the provisions of this Subsection d., shall be the agent of each of its principals, hereby irrevocably appointed for such purpose, upon whom service of any process, writ, summons, order or other mandate of any nature of any court in any action, suit or proceeding arising out of this Agreement may be made, and service upon such designated person shall constitute due and proper service of any such matters is also mailed to such principals at the principals' last addresses known to the sender. Notwithstanding anything to the contrary herein contained, the designation of a person to act on behalf of persons as a Party under this Subsection d. shall not for any purpose relieve any such persons from the obligations or liabilities created by or arising from this Agreement.

8. RELEASE UPON SALE OF INTEREST.

8.1 Sale by any Party. Upon the sale or transfer by any Party of its entire right, title and interest in its Parcel, that party shall be released from the obligations of this Agreement (other than those obligations arising from any default by such Party in the performance of any provision of this Agreement prior to such sale or transfer, including payment of any amounts which may then be due and owing under this Agreement); provided that such Party shall have given notice to the other Party of sale, transfer, conveyance or assignment of all of its right, title and interest in its parcel concurrently with the filing for record of the

9. EFFECT ON BREACH UPON PURCHASERS AND MORTGAGEES.

9.1 No Termination. The breach of this Agreement shall not eliminate any Party or person to cancel, rescind or otherwise terminate its obligations hereunder.

9.2 Mortgagee Protection. This Agreement, and the rights, privileges, covenants, agreements and easements hereunder with respect to each Party and Parcel, shall be superior and senior to any lien placed upon any Parcel, including the lien of any mortgage or deed of trust. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust made in good faith and for value, but the covenants and restrictions, easements and conditions herein contained shall be binding upon and effective against any owner (including any mortgagee or beneficiary under a deed of trust) of any Parcel, or any portion thereof, who acquires title thereto by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

10. COVENANTS AND RECORDATION.

10.1 Covenants Run with the Land. All of the applicable provisions, agreements, rights, powers, covenants, conditions and obligations contained in this Agreement shall be binding upon and insure to the benefit of the Parties hereto, their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, representatives, lessees and all other persons acquiring any Parcel, or any part thereof of any interest therein whether by operation of law or in any manner whatsoever, unless and until modified as herein provided. All of the provisions of this Agreement shall be covenants running with the land pursuant to the applicable law, including but not limited to Section 1468 of the Civil Code of the State of California. It is expressly acknowledged that each covenant to do refrain from doing some act on each Parcel hereunder (i) is for the benefit of each other Parcel and is a burden upon each other Parcel, (ii) runs with each Parcel and (iii) shall benefit or be binding upon each successive owner during its ownership of each Parcel, or any portion thereof, and each person having any interest therein derived in any manner through any owner of any Parcel, or any portion thereof.

11. RECORDATION. This Agreement shall become effective and binding upon the Parties and their respective successors in interest in accordance with the provisions of this Article 10 upon recordation of this Agreement in the office of the County Recorder of Orange County.

12. MISCELLANEOUS.

12.1 Negation of Partnership. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise.

12.2 Termination and Amendment. Except as otherwise specified in this Agreement, this Agreement may be cancelled, changed, modified or amended in whole or in part only by written and recorded instrument executed by all of the Parties hereto and by all of the record owners of all of each Parcel in the event that any of such record owners are not then Parties hereto. Notwithstanding any other provisions of this Agreement to the contrary, all the provisions hereof shall terminate upon the 55th anniversary date of the recordation hereof.

12.3 Approvals. Unless otherwise herein provided, whenever approval or consent is required of any Party, it shall not be unreasonably withheld. Unless provision is made for a specific time period, approval or consent shall be deemed given in ninety (90) days of the receipt of the written request for approval or consent, and if a Party shall neither approve nor disapprove within such ninety (90) day period, or other time period as may be specified in this Agreement for approval or consent, that Party shall then be deemed to have given its approval or consent. If a Party shall disapprove, the reasons therefor shall be stated in reasonable detail in writing. The consent or approval by a party to or of any act or request by any other Party shall not be deemed to waive or render unnecessary consent or approval to or any similar or subsequent acts or requests.

12.4 Public Dedication. Developer and Agency covenant that the Parking Facility shall be dedicated to public purposes provided, however, that "public purposes" shall be defined as "open and available to the public on an equal basis". All parking, except for parking by Users and Occupants, shall be paid for by the users of the Parking Facility. In the event, however, that neither the Agency nor its successors in interest hold any interest (either leasehold or fee) in the Parking Facility, all paid parking proceeds shall belong to Developer.

Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center, or of any other parcel, or portion thereof, to the general public, for the general public or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement shall be strictly limited to and for the purposes herein expressed and that

all property described herein, except for the Parking Facility, is and shall continue to be private property.

12.5 Excusable Delays. Whenever performance is required of any Party hereunder, that Party shall use all due diligence to perform and take all necessary measures in good faith to perform; provided, however, that if delays are caused by civil commotion, riots, strikes, picketing, or other labor disputes, unavailability of labor or materials or damage to work in progress by reason of fire or other casualty or cause beyond the reasonable control of a Party (financial inability, imprudent management or negligence excepted), then the time for performance as herein specified shall be appropriately extended by the amount of delay.

12.6 Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person by judgment or court order shall in no way affect any of the other provisions hereof or the application thereof to any other person and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

12.7 Notices. Any notice to any Party shall be in writing and given by delivering the same to such Party in person or by sending the same by registered or certified mail, return receipt requested, with postage prepaid to the Party's mailing address. The respective mailing addresses of the Parties hereto are, until changed as hereinafter provided, the following:

Agency: SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
32400 Paseo Adelanto
San Juan Capistrano, CA 92675
Attention: Executive Director

and, in the event of a claim against the Agency, with a copy to:

SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
32400 Paseo Adelanto
San Juan Capistrano, CA 92675
Attention: Agency Secretary

Developer: Franciscan Plaza Investment Group
31831 Camino Capistrano
San Juan Capistrano, CA 92675
Attention: Paul Farber

12.8 Change of Address. Any Party may change its mailing address at any time by giving written notice of such change to the other Party in the manner provided herein at least ten (10) days prior to the date such change is effected. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

12.9 Entire Agreement. This written Agreement contains all the representations and the entire agreement between the Parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are superseded in total by this Agreement. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any Party.

12.10 Captions. The captions preceding the text of each Article, Section and Subsection hereof are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

12.11 References. All references herein to a given Article, Section or Subsection refer to the Article, Section or Subsection of this Agreement.

12.12 Minimization of Damages. In all situations arising out of this Agreement, all Parties shall attempt to avoid and minimize the damages resulting from the conduct of any other Party. Each Party shall take all necessary measures to effectuate the provisions of this Agreement.

12.13 Litigation Expenses. If any Party shall bring an action against the other Party by reason of the breach or alleged violation of any covenant, term or obligation hereof, or for the enforcement of any provision hereof or otherwise arising out of this Agreement, the prevailing Party in such suit shall be entitled to its costs of suit and reasonable attorneys' fees, which shall be payable whether or not such action is prosecuted to judgment. "Prevailing Party" within the meaning of this Section 12.13 shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action.

12.14 Signature Pages. For convenience, the signatures of each of the Parties to this Agreement may be executed and acknowledged on separate pages which when attached to this Agreement shall constitute this as one complete Agreement.

12.15 Time. Time is of the essence of this Agreement and each and every provision hereof.

IN WITNESS WHEREOF, the Parties hereto have executed and acknowledged this Agreement as of the day and year first above written.

December 5, 1989, 19

SAN JUAN CAPISTRANO COMMUNITY
REDEVELOPMENT AGENCY

By: *Kenneth E. Friess*
Kenneth E. Friess Chairman

"AGENCY"

ATTEST:

Cheer Johnson, Deputy
Agency Secretary

APPROVED AS TO FORM:

The Plaza

Stradling, Yocca, Carlson & Rauth,
Special Counsel to the Agency

Agency Counsel

FRANCISCAN PLAZA INVESTMENT GROUP

Paul Farber *Gen. Partner*

"Developer"

By Paul Farber, General Partner
20

STATE OF CALIFORNIA

COUNTY OF Orange

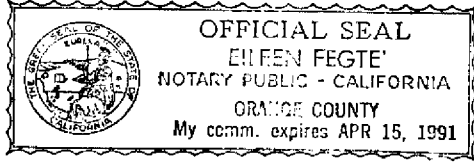
} ss.

On this 7th day of December, in the year 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared

Paul Farber

_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument on behalf of the Limited Partnership named therein, and acknowledged to me that the limited Partnership executed it.

WITNESS my hand and official seal.



Eileen Fegte
Notary Public in and for said State.

ACKNOWLEDGMENT—General or Limited Partnership—Wolcotts Form 236CA—Rev. 5-82 ©1982 WOLCOTTS, INC. (Price class B-2)

CORPORATE ACKNOWLEDGMENT

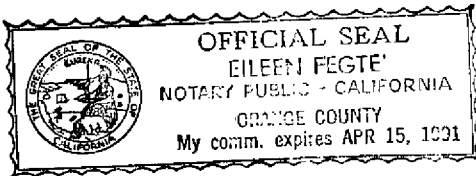
NO. 202

State of California
County of Orange } ss.

On this the 12 day of December 1989, before me, Eileen Fegte, the undersigned Notary Public, personally appeared

Kenneth E. Friess

personally known to me
 proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Chairman or on behalf of the municipal corporation therein named, and acknowledged to me that the corporation executed it. WITNESS my hand and official seal.



Eileen Fegte
Notary's Signature

7120 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 91365-4625

CORPORATE ACKNOWLEDGMENT

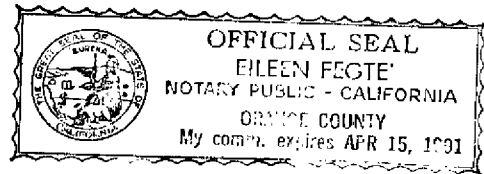
NO. 202

State of California
County of Orange } ss.

On this the 12 day of December 1989, before me, Eileen Fegte, the undersigned Notary Public, personally appeared

Cheryl A. Johnson

personally known to me
 proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Deputy Agency Secretary or on behalf of the municipal corporation therein named, and acknowledged to me that the corporation executed it. WITNESS my hand and official seal.



Eileen Fegte
Notary's Signature

7120 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 91365-4625

Recording Requested by:
City of San Juan Capistrano

Recording fees exempt due to Govt
Code 6103
Documentary Transfer Tax - No
Consideration

And when recorded, please mail to:

City of San Juan Capistrano
City Clerk's Department
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Margaret M. Monahan, City Clerk
City of San Juan Capistrano

**First Amendment to Joint Parking and Maintenance Agreement and
Declaration of Covenants Running with the Land.**

This First Amendment to Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land. ("First Amendment") is entered into as of this 7th day of May, 2002, by and between the San Juan Capistrano Community Development Agency (the "Agency") and Busk Development, Inc. (hereinafter referred to as "Owner").

Recitals

Whereas, the Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land was executed by the Agency and Franciscan Plaza Investment Group, the original developer of the Franciscan Plaza project, on December 5, 1989; and,

Whereas, the current "owner" and Agency desire to amend certain provisions of the Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land.

Now, therefore, the Agency and Owner agree to amend the Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the Land as follows:

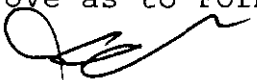
Section 1. On page 3, Section 2, entitled, "Grant of Reciprocal Easements". Subsection (a.), entitled, "Parking", the sixth sentence that reads: "Notwithstanding, (1) in no event shall the numbers of commuter spaces be less than 131...". Shall be amended to read: "Notwithstanding (1) in no event shall the number of Commuter spaces be less than seventy-three (73)...".

Section 2. Except to the extent that the Joint Parking and Maintenance Agreement and Declaration of Covenants Running with the

Land are modified by the First Amendment each and every provision of the Joint Parking and Maintenance Agreement remains in full force and effect and survives this Amendment. The Joint Parking and Maintenance Agreement is incorporated herein and by this reference. If any ambiguity exists between this First Amendment and the Joint Parking and Maintenance Agreement, this First Amendment shall control.


In Witness Whereof, the parties have executed this First Amendment as of the day and year above written.

Approve as to Form:



John Shaw, Agency Council

Owner:



~~Kalma Busk, Busk~~
~~Development, Inc.~~
Franciscan Plaza, LLC
Agency:

Attest:

Margaret M. Monahan, Agency Secretary

Collene Campbell,
Chairperson

COPY **EXEMPT C10**

dup

Cheyl Larson Deputy
City Clerk, City of San Juan Capistrano

Recording Requested By and
When Recorded Mail To:

San Juan Capistrano Community
Redevelopment Agency
Attention: City Clerk
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA

3:00
P.M. **AUG 14 1990**

Lee A. Branch RECORDER

(Space above for Recorder's use only)

LEASE

THIS LEASE AGREEMENT is dated as of June 5, 1990
by and between FRANCISCAN PLAZA INVESTMENT GROUP, a California
limited partnership (the "Lessor") and the SAN JUAN CAPISTRANO
COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and
politic (the "Lessee").

W I T N E S S E T H:

That for and in consideration of the mutual promises
and agreements herein contained, the parties hereto agree as
follows:

SECTION 1: Definitions.

Unless the context otherwise requires, the terms defined in
this Section 1 shall, for all purposes of this Lease, have the
meanings herein specified.

Agreement

"Agreement" means that owner participation agreement
entered into between the Lessor and the Lessee for the
disposition and development of various property (including
without limitation that property described in Exhibit A to this
Lease), dated December 15, 1987, together with, and as amended
by the First Amendment to the owner participation agreement
dated October 17, 1989. A copy of said Agreement, which is on
file with the Lessee at its offices, is incorporated herein by
reference.

Base Rent

"Base Rent" means that rent due for the Project as defined
in Section 4(a) of this Lease.

City

"City" means the City of San Juan Capistrano, a municipal corporation.

Lessee or Agency

"Lessee" or "Agency" means the San Juan Capistrano Community Redevelopment Agency, a public body, corporate and politic.

Lessor or Participant

"Lessor" or "Participant" means Franciscan Plaza Investment Group, a California limited partnership. The Lessee shall be entitled to make payment to Franciscan Plaza Investment Group, which payment shall discharge its obligations for payment hereunder to the Lessor. Franciscan Plaza Investment Group shall be liable and responsible for all of the undertakings, duties and covenants of the Lessor set forth in this Lease or arising therefrom.

Public Improvements

"Public Improvements" means those improvements so described in the Agreement.

Parking Facility

"Parking Facility" means the structure to be completed on the Site as depicted on Attachment No. 1 to the Agreement.

Redevelopment Plan

"Redevelopment Plan" means the Redevelopment Plan which was approved, adopted and amended by the City Council of the City of San Juan Capistrano by Ordinance Nos. 509, 547 and 582.

Rental Period

"Rental Period" means the period with respect to which Rent is payable pursuant to Section 4(a) of this Lease.

Site

"Site" means that real property so described in the Agreement and the "Legal Description of the Site" which is attached hereto marked Exhibit "A" and incorporated herein by reference.

Term

"Term" means the period of fifty-five (55) years.

SECTION 2: Demised Premises, Ownership.

The Lessor hereby leases the Parking Facility, when the same is constructed according to the Agreement, to the Lessee, subject to the terms and conditions of this Lease.

SECTION 3: Term.

The Term of this Lease shall commence on the date of issuance of the Certificate of Completion for the Parking Facility. This Lease shall terminate at the end of the Term. This Lease, and any provisions hereof, shall not be extended without the express written approval of the Lessee which approval the Lessee may grant, withhold, or deny at its sole and absolute discretion.

SECTION 4: Rent.

The Lessee shall pay rent to the Lessor in the amounts, at the times and in the manner set forth herein, said amounts constituting in the aggregate the total of the annual rents payable under this Lease as follows:

(a) Rent. For each of the periods (the "Rental Periods") commencing six (6) months from the date the City allows the occupancy of the Parking Facility through the issuance of the Certificate of Occupancy or a Temporary Certificate of Occupancy on the Parking Facility in conformity with the Agreement and continuing according to the schedule below for the first six (6) Rental Periods and thereafter on an annual basis, the Lessee agrees to pay to the Lessor as the Base Rent the sum of One Dollar (\$1.00). The Certificate of Occupancy or Temporary Certificate of Occupancy shall not be withheld due solely to a delay in the Participant's installation of the equipment necessary for commuter parking. In addition to the Base Rent, the Lessee agrees to pay to the Lessor Supplemental Rent for the first three (3) Rental Periods according to the following table:

<u>Rental Period</u>	<u>Ending In Month</u>	<u>Amount of Supplemental Rent</u>
1	6	\$312,540
2	18	281,271
3	36	250,024

At the end of the third operating year after the date of issuance of the certificate of completion for the Parking Facility, the Lessee and Lessor shall review the actual performance to determine the third year net cash flow after debt service and before distribution to the Participant as a percentage of equity. In making this calculation, equity shall be the difference between the construction lender(s)' or permanent lender(s) determination of project value for the purposes of making the construction loan and the amount of the loan. Using this percentage the Lessee shall pay an additional amount of Supplemental Rent for Rental Periods 4, 5 and 6, ending in months 48, 60 and 72 respectively, based on the following table:

<u>Cash Flow as % of Equity</u>	<u>Additional Amount of Supplemental Rent</u>
less than 0%	275,000
0% to 4.0%	200,000
4.0% to 8.0%	175,000
8.0% to 13.0%	150,000
13.0% to 17.0%	125,000
more than 17.0%	-0-

(b) Payment. Payments of Rent shall be made in lawful money of the United States of America, by warrant or check drawn against funds of the Lessee.

(c) Consideration. The payments of Base Rent and, if applicable, Supplemental Rent, hereunder for each Rental Period for the term of this Lease, shall constitute the total rental for said Rental Period and shall be paid by the Lessee at the conclusion of said Rental Period. In addition to the rental, the parties agree as specified in the Agreement that Parking Revenue generated from commuter or other paid parking shall be divided between the Participant and the Agency.

SECTION 5: Construction of Project, Maintenance and Operation.

No duties, other than those set out in the Agreement, with respect to the construction of any improvements on the Site or the maintenance of the Site or any improvements thereon, or to provide insurance or indemnities with respect to the use of the Site shall be deemed to be imposed upon the Lessee by virtue of this Lease. Lessor and Lessee shall enter into a maintenance and operation agreement with a qualified management company (the "Operator"). The cost of the common area maintenance ("CAM") charges shall be allocated between the Agency and the Participant in proportion to a ratio which considers the number of commuter parking spaces and commuter hours and days of operation compared to the total operational use of the

structure. Specifically the Agency portion of monthly CAM charges may be determined by utilizing the following formula:

$$\frac{\text{Agency's portion of CAM charges}}{\text{Total CAM charges}} = \frac{(\text{\# of Commuter Spaces}) \times (12 \text{ hrs}) \times (\text{\# of working days in month})}{(\text{Total \# of Spaces}) \times (\text{18 hrs}) \times (\text{\# of days in month})}$$

17⁰ - 17
19²

SECTION 6: Use.

During the term of this Lease, subject to obtaining consent by lenders of record with encumbrances senior to the Agency's rights pursuant to this Lease and subject to the terms of the maintenance and operation agreement as described in Section 5 of this Lease, the Lessee shall have the right to use the Site, and to assign its rights hereon or enter into a sublease to any public or nonprofit entity as it deems appropriate, in its sole discretion. Both parties acknowledge that the Parking Facility is burdened with a covenant which shall run with the land to provide for public use of the facility as defined in the Agreement. The proportion of commuter and commercial parking shall be as specified in §501 of the Agreement.

SECTION 7: Insurance.

Throughout the Term, the Lessor shall maintain or cause to be maintained at its cost the following policies of insurance:

(1) insurance against loss or damage to the aboveground portion of the Facilities resulting from fire, earthquake, lightning, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage" and such other perils as the Lessor and the Lessee may agree should be insured against, if such insurance is available from reputable insurers. In the event that Lessor determines that the earthquake portion of the insurance required in this Section 7 has become economically unreasonable to obtain, it may request relief from the Agency for this requirement and the Agency shall not unreasonably withhold its permission to modify this section if it determines in its sole discretion that such a requirement has become an economically unreasonable burden. Such insurance shall be maintained in an amount not less than the full insurable value of the Facilities subject to a "deductible clause" in the amount of Ten Thousand Dollars (\$10,000.00) and shall contain an inflation guard endorsement. The term "full insurable value" as used in this Section shall mean the actual replacement cost "new";

(2) public liability insurance against claims for bodily injury or death, or damage to property occurring upon, in or about the Project, such insurance to afford protection to

a limit of not less than Two Million Dollars (\$2,000,000) combined single limit bodily injury and property damage with not greater than Ten Thousand Dollars (\$10,000) deductible;

(3) worker's compensation insurance, if applicable, issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such worker's compensation insurance to cover all persons employed in connection with the Parking Facility and to cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death during or in connection with the Parking Facility or the business of the Lessor and activities of the Lessee with respect to the Parking Facility.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or admitted to do business in the State of California. All policies or certificates shall name the Lessee, the City and the Lessor as named insureds, and shall ← include waivers of subrogation.

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days' prior written notice to the Lessee, and shall carry loss payable endorsements in favor of the Lessee where applicable. Certified copies of such policies (or other evidence of coverage reasonably satisfactory to the Lessee) shall be deposited with the Lessee, together with appropriate evidence of payment of the premiums therefor; and, at least 10 days prior to the expiration dates of expiring policies or certificates, certified copies of renewal or new policies or certificates (or other evidence of coverage reasonably satisfactory to the Lessee) shall be deposited with the Lessee.

In the event the Lessor fails to maintain the insurance required to be maintained hereunder, the Lessee following ten (10) days' written notice to Lessor shall have the right to procure and maintain such insurance and deduct such cost from the Rent otherwise payable pursuant to Section 4 of this Lease; provided that if all such Rent has been paid, the Lessor shall, within ten (10) days of receipt of notice by the Lessee, refund to the Lessee all such costs incurred by the Lessee, together with interest at the maximum rate allowable by law accruing from the expiration of the aforesaid ten (10) day notice period until the Lessee has been fully reimbursed with interest.

SECTION 8: Damage by Casualty

It is expressly understood and agreed that the rentals hereunder are in consideration of the right to occupy and use the Leased Premises throughout the entire Term, and, except as herein provided, it is the responsibility of the Lessor to provide such right at all times.

In the event of destruction or damage to the Leased Premises by an insured casualty or events, where said insurance meets the criteria specified in Section 7 of this Lease, so that they become wholly or partly unusable, the Lessor shall rebuild and repair the Leased Premises so that they shall be restored to use, and this Lease shall remain in full force and effect.

SECTION 9: Eminent Domain.

If the whole of the Leased Premises, or so much thereof as to render the remainder unusable for the purposes for which the same was constructed, shall be taken under the power of eminent domain then this Lease shall terminate as to only the portion of the Site so taken. If the remainder is usable for the Project purposes, then this Lease shall continue in full force and effect and shall not be terminated by virtue of such taking (and the parties waive the benefit of any law to the contrary). The Lessor shall be entitled to receive any and all proceeds of such condemnation award or settlement.

SECTION 10: Liens.

In the event the Lessee subleases or assigns its interest in this Lease, the Lessee shall take reasonable steps to assure that liens do not attach to the Property by virtue of the activities of the Lessee or that any such liens are reasonably removed.

SECTION 11: Taxes.

It is understood between the parties that that portion of the Parking Facility which is dedicated to public commuter parking use and leased by the Agency should be exempt from the imposition of property tax and that therefore such taxes as are imposed should represent only the value of the commercial use of the Parking Facility. If it is determined that that portion of the Parking Facility which is dedicated to public commuter use is exempt from property tax, then the Lessor agrees to pay any property taxes assessed on the Leased Premises. If there is no such exemption the property taxes shall be included as part of the CAM charges and assessed against the Lessor and the Lessee according to the CAM charge allocation set out in Section 5 of this Lease.

SECTION 12: Quiet Enjoyment.

The parties hereto mutually covenant and agree that the Lessee, by keeping and performing the covenants and agreements herein contained, shall at all times during the term, peaceably and quietly, have, hold and enjoy the Leased Premises.

SECTION 13: Lessor Covenants.

In addition to those undertakings and covenants elsewhere set forth in this Lease by the Lessor, the Lessor covenants that Lessor shall cause the completion of the Public Improvements by the time established therefor in the Agreement.

Section 14. Option to Purchase.

The Lessee shall have the right to purchase the Parking Facility at its sole option. This option may not be exercised before two (2) years after the certificate of completion has been issued on the entire project (Phase I and Phase II), and must be exercised no later than seven (7) years after the issuance of the certificate of completion for the entire project.

The Lessee and the Lessor shall begin negotiations to set the price at which the Lessee may purchase the Parking Facility and the lease back costs within thirty (30) days of the execution of the First Amendment to the owner participation agreement dated October 17, 1989. At the time of negotiations, the Lessee and the Lessor shall agree in writing on all factors which shall be used to establish a value for the structure including, but not limited to, the following criteria:

1. The original construction cost of the Parking Facility including hard costs, soft costs and offsites.
2. The original cost of the land on which the Parking Facility is located.
3. Payments the Lessor has made to the date of the purchase for financing fees, principal and interest on the portion of his financing dealing with the Parking Facility.
4. Compensation paid to date by the Lessee to the Lessor for the lease of the structure.
5. Such other factors as the Lessee or the Lessor may deem appropriate in establishing a value for the structure.

Unless otherwise modified by agreement between the Lessee and the Lessor, upon purchasing the Parking Facility the Lessee and the Lessor shall ensure the following:

1. Adequate parking shall be maintained for the tenants of Franciscan Plaza and the Provincial Building according to conditions set forth in the Joint Parking Agreement.

2. The Lessor shall continue to: (i) receive its share of the compensation collected by the Lessee for the paid parking and (ii) pay its share of the CAM charges.

In the event that the parties are unable to come to an agreement by October 1, 1990 as to the option purchase price this option shall be terminable by either party. In the event that this section is found to be unenforceable or invalid such unenforcibility or invalidity shall not effect any other provision of this Agreement which shall remain in full force and effect.

SECTION 15: Law Governing.

This Lease is made in the State of California under the Constitution and laws of such State and is to be so construed.

SECTION 16: Notices.

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

Lessor - Franciscan Plaza Investment Group
c/o Paul L. Farber and Associates
PKJ ~~26300 La Alameda, Suite 470~~ 31781 CAMINO CAPISTRANO # 303
~~Mission Viejo, California 92691~~ SAN JUAN CAPISTRANO, CA. 92675

Lessee - San Juan Capistrano Community Redevelopment Agency
Attention: Executive Director
32400 Paseo Adelanto
San Juan Capistrano, California 92675

SECTION 17: Default by Lessee; Termination.

If the Lessee shall fail to pay any rental payable hereunder within sixty (60) days from the date such rental is payable, then the Lessee shall be deemed to be in default hereunder.

If the Lessee should, after notice of default, fail to commence to remedy any default with all reasonable dispatch and shall thereafter fail to diligently prosecute the cure to completion, the Lessor after sixty (60) days' notice may

re-enter, cure such breach and charge the Lessee therefor with interest thereof at the maximum rate permitted by law, and eject all parties in possession thereof therefrom.

SECTION 18: Assignment.

The rights of the Lessee herein shall be for the benefit of the Lessee or a successor in interest to the Lessee or assignee which attorns to the Lessor. The Lessor shall accept such successor or assignee as a tenant hereunder on terms identical to those set forth in this Lease. Unless the Lessor expressly agrees to the contrary, the Lessee shall remain liable as a principal for payment of the Rent hereunder notwithstanding such assignment.

SECTION 19: Execution.

This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Lease, and it is also understood and agreed that separate counterparts of this Lease may be separately executed by the Lessor and the Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by both the Lessor and the Lessee.

SECTION 20: Validity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 21: Headings.

Any headings preceding the texts of the several Sections hereof shall be solely for convenience of reference and shall not constitute a part of this Lease, nor shall they affect its meaning, construction or effect.

SECTION 22: Non-discrimination.

The Lessee covenants by and for itself, its successors and assigns, and all persons claiming under or through it, and this Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national

origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the Lessee 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, sublessees, subtenants or vendees in the premises herein leased.

SECTION 23: Subordination

Lessee agrees to subordinate its rights under this Lease only to deeds of trust in favor of lenders providing construction or take out financing in connection with the Project, where said lender has executed a non-disturbance and attornment agreement in accordance with §306 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, all as of the day and year first above written.

SAN JUAN CAPISTRANO COMMUNITY
REDEVELOPMENT AGENCY

By: *Kenneth E. Friess*
Chairman, Ken Friess

"LESSEE"

ATTEST:

Jeffrey C. Farber
Secretary

(SEAL)

FRANCISCAN PLAZA INVESTMENT GROUP

By: *Paul Farber*
President, Paul Farber
Paul Farber

"LESSOR"

CORPORATE ACKNOWLEDGMENT

NO. 202

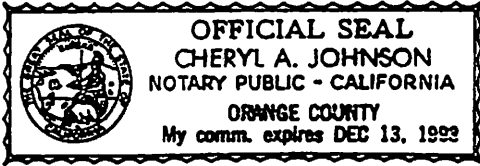
State of California
County of Orange } ss.

On this the 14th day of June 1990, before me,

Cheryl A. Johnson
the undersigned Notary Public, personally appeared

Jeffrey C. Parker

personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as
Agency Secretary or on behalf of the ^{public} corporation therein
named, and acknowledged to me that the ^{public} corporation executed it.
WITNESS my hand and official seal.



Cheryl A. Johnson
Notary's Signature

7120 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 91365-4625

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF ORANGE)

On this 12TH OF JUN^E, 1990, before me, a Notary Public, State of California, duly commissioned and sworn, personally appeared KENNETH E. FRIESS and ~~and~~ ~~SECRETARY, respectively,~~ known to me to be the Chairman ~~and~~ ~~Secretary, respectively,~~ of the SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY, a public corporation, that executed the within instrument on behalf of said public corporation therein named, and acknowledged to me that such public corporation executed the within instrument pursuant to a resolution of the Members of said public corporation.

WITNESS my hand and official seal.

Eileen Fegte

(SEAL)



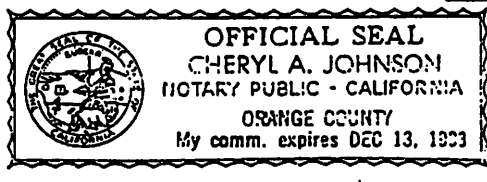
STATE OF CALIFORNIA)
)
) ss.
COUNTY OF ORANGE)

On June 8, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared PAUL FARBER personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the ^{General Partner} ~~President~~ of FRANCISCAN PLAZA INVESTMENT GROUP, a California limited partnership, that executed the within instrument and acknowledged to me that such partnership executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Cheryl A Johnson

(SEAL)



04/02/90
8599n/2299/30

EXHIBIT "A"

LEGAL DESCRIPTION OF THE SITE

(121-150-20)

LOT 40 OF TRACT NO. 103 AS SHOWN ON A MAP RECORDED IN BOOK 11, PAGES 29 THROUGH 33 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THE WESTERLY 13.00 FEET OF SAID LOT, BEING A STRIP OF LAND 13.00 FEET IN WIDTH LYING EASTERLY AND CONTIGUOUS TO THE RIGHT OF WAY OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, AS DESCRIBED IN DEED RECORDED FEBRUARY 27, 1936 IN BOOK 807 PAGE 286 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE NORTHERLY LINE OF LOT 42 OF SAID TRACT NO. 103, SAID POINT BEING SOUTH 84 DEGREES 07 MINUTES 30 SECONDS WEST 202.60 FEET FROM THE NORTHEAST CORNER OF SAID LOT 42; THENCE SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 135.66 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 42, SAID POINT BEING SOUTH 84 DEGREES 28 MINUTES 00 SECONDS WEST 201.44 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 42; THENCE CONTINUING SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 84.18 FEET TO A POINT IN THE SOUTHERLY LINE OF LOT 41 OF SAID TRACT NO. 103; THENCE SOUTH 84 DEGREES 27 MINUTES WEST ALONG SAID SOUTHERLY LINE 15.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 9.50 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHERLY 9.50 FEET FROM THE NORTHERLY LINE OF SAID LOT 40; THENCE WESTERLY PARALLEL WITH AND DISTANT SOUTHERLY 9.50 FEET FROM SAID NORTHERLY LINE TO A POINT IN THE WESTERLY LINE OF SAID LOT 40; THENCE NORTHERLY ALONG SAID WESTERLY LINE TO THE NORTHWEST CORNER OF SAID LOT 40; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 40 TO THE TRUE POINT OF BEGINNING.

(121-150-21)

LOT 43, AS SHOWN ON A LICENSED SURVEYOR'S MAP, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGES 31 TO 38 INCLUSIVE, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WESTERLY 12 FEET.

04/02/90
8599n/2299/30

EXHIBIT "A"
Page 1 of 3

(121-150-22)

THAT PORTION OF LOT 40 OF TRACT NO. 103, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGES 29 THROUGH 33 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE NORTHERLY LINE OF LOT 42 OF SAID TRACT NO. 103, SAID POINT BEING SOUTH 84 DEGREES 07 MINUTES 30 SECONDS WEST 202.60 FEET FROM THE NORTHEAST CORNER OF SAID LOT 42; THENCE SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 135.66 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 42, SAID POINT BEING SOUTH 84 DEGREES 28 MINUTES 00 SECONDS WEST 201.44 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 42; THENCE CONTINUING SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 84.18 FEET TO A POINT IN THE SOUTHERLY LINE OF LOT 41 OF SAID TRACT 103; THENCE SOUTH 84 DEGREES 27 MINUTES WEST ALONG SAID SOUTHERLY LINE 15.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 9.50 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHERLY 9.50 FEET FROM THE NORTHERLY LINE OF SAID LOT 40; THENCE LINE TO A POINT IN THE WESTERLY LINE OF SAID LOT 40; THENCE NORTHERLY ALONG SAID WESTERLY LINE TO THE NORTHWEST CORNER OF SAID LOT 40; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 40 TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE WESTERLY 13.00 FEET OF SAID LOT, BEING A STRIP OF LAND 13.00 FEET IN WIDTH LYING EASTERLY OF AND CONTIGUOUS TO THE RIGHT OF WAY OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, AS DESCRIBED IN DEED RECORDED FEBRUARY 27, 1936 IN BOOK 807 PAGE 286 OF OFFICIAL RECORDS.

(121-150-09)

LOT 42 OF TRACT NO. 103, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGES 29 TO 30 INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 42, SAID CORNER BEING ON THE WESTERLY PROPERTY LINE OF THE CALIFORNIA STATE HIGHWAY: THENCE NORTH 5 DEGREES 23 MINUTES 00 SECONDS WEST ALONG THE ABOVE MENTIONED PROPERTY LINE 136.88 FEET TO AN INTERSECTION WITH THE SOUTHERLY LINE OF GARDEN STREET: THENCE SOUTH 84 DEGREES 07 MINUTES 30 SECONDS WEST ALONG THE SOUTHERLY LINE OF GARDEN STREET 202.60 FEET TO A POINT: THENCE SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 135.66 FEET TO A POINT ON THE SOUTHERLY LINE OF THE ABOVE MENTIONED LOT 42; THENCE NORTH 84 DEGREES 28 MINUTES 00 SECONDS EAST ALONG THE SOUTHERLY LINE OF LOT 42, 201.44 FEET TO THE POINT OF BEGINNING.

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EXHIBIT "A"
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(121-150-12)

THAT PORTION OF LOT 41 OF TRACT NO. 103, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGES 29 THROUGH 33 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 41; RUNNING THENCE NORTH 9 DEGREES 40 MINUTES WEST 84.41 FEET ALONG THE WEST LINE OF SAID LOT 41 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 84 DEGREES 28 MINUTES EAST 41.13 FEET ALONG THE NORTHERLY LINE OF SAID LOT 41 TO A POINT WHICH IS LOCATED 201.44 FEET SOUTH 84 DEGREES 28 MINUTES WEST FROM THE SOUTHEAST CORNER OF LOT 42 OF SAID TRACT NO. 103; THENCE SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 84.18 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 41; THENCE SOUTH 84 DEGREES 27 MINUTES WEST 35.55 FEET ALONG THE SOUTHERLY LINE OF SAID LOT 41 TO THE POINT OF BEGINNING.

(121-150-10)

THAT PORTION OF LOT 42 OF TRACT NO. 103, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGES 29 TO 33, INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING TO THE MOST EASTERLY CORNER OF SAID LOT, SAID CORNER BEING IN THE WESTERLY PROPERTY LINE OF THE CALIFORNIA STATE HIGHWAY; THENCE NORTH 5 DEGREES 23 MINUTES 00 SECONDS WEST ALONG THE ABOVE MENTIONED PROPERTY LINE 136.88 FEET TO AN INTERSECTION WITH THE SOUTHERLY LINE OF GARDEN STREET; THENCE SOUTH 84 DEGREES 07 MINUTES 30 SECONDS WEST, ALONG THE SOUTHERLY LINE OF GARDEN STREET, 202.60 FEET TO A POINT; THENCE SOUTH 5 DEGREES 52 MINUTES 30 SECONDS EAST 135.66 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 42; THENCE NORTH 84 DEGREES 28 MINUTES 00 SECONDS EAST, ALONG THE SOUTHERLY LINE OF SAID LOT, 201.44 FEET TO THE POINT OF BEGINNING.

END

04/02/90
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EXHIBIT "A"
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Certified

RESOLUTION NO. CRA 90-8-7-1

ACCEPTING LEASE - FRANCISCAN PLAZA PARKING STRUCTURE

A RESOLUTION OF THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY, ACCEPTING THE LEASE AGREEMENT BETWEEN THE FRANCISCAN PLAZA INVESTMENT GROUP AS LESSOR AND THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY AS LESSEE FOR SPACES IN THE FRANCISCAN PLAZA PARKING STRUCTURE

WHEREAS, in December, 1987, the Community Redevelopment Agency of the City of San Juan Capistrano entered into an Owner Participation Agreement with the Franciscan Plaza Investment Group which called for the execution of a Lease Agreement. In October, 1989, the San Juan Capistrano Community Redevelopment Agency amended this Owner Participation Agreement which modified the Lease Agreement; and,

WHEREAS, this modified Lease Agreement was executed on June 5, 1990; and,

WHEREAS, the County Recorder's Office has requested that a Resolution of Acceptance of this Lease Agreement be executed under their interpretation of Government Code Section 27281.

NOW, THEREFORE, BE IT RESOLVED, that the San Juan Capistrano Community Redevelopment Agency, City of San Juan Capistrano, California, does hereby accept the Lease Agreement executed by the San Juan Capistrano Community Redevelopment Agency and Franciscan Plaza Investment Group on June 5, 1990.

PASSED, APPROVED, AND ADOPTED this 7th day of August, 1990.


KENNETH E. FRIESS, CHAIRMAN


ATTEST:


AGENCY SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF SAN JUAN CAPISTRANO)

I, CHERYL JOHNSON, City Clerk of the City of San Juan Capistrano, California, DO HEREBY CERTIFY that the attached is a true and correct copy of Resolution No. CRA 90-8-7-1, adopted by the San Juan Capistrano Community Redevelopment Agency at a regular meeting thereof held on the 7th day of August, 1990.

(SEAL)



Cheryl Johnson, City Clerk
San Juan Capistrano, California

DATED: THIS 9th day of August, 1990.

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF SAN JUAN CAPISTRANO)


I, JEFFREY C. PARKER, Acting Secretary of the San Juan Capistrano Community Redevelopment Agency, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. CRA 90-8-7-1 adopted by the Board of Directors of the San Juan Capistrano Community Redevelopment Agency, at a regular meeting thereof held on the 7th day of August, 1990, by the following vote:

AYES: Directors Schwartz, Hausdorfer, Buchheim, Bland
and Chairman Friess

NOES: None

ABSENT: None

(SEAL)



JEFFREY C. PARKER, ACTING AGENCY SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss. AFFIDAVIT OF POSTING
CITY OF SAN JUAN CAPISTRANO)

JEFFREY C. PARKER, being first duly sworn, deposes and says:

That he is the duly appointed and qualified Acting Secretary of the San Juan Capistrano Community Redevelopment Agency;


That in compliance with State laws of the State of California and in further compliance with City Resolution No. CRA 83-12-20-1 and on the 9th day of August, 1990, she caused to be posted:

RESOLUTION NO. CRA 90-8-7-1 , being:

ACCEPTING LEASE - FRANCISCAN PLAZA PARKING STRUCTURE

A RESOLUTION OF THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY, ACCEPTING THE LEASE AGREEMENT BETWEEN THE FRANCISCAN PLAZA INVESTMENT GROUP AS LESSOR AND THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY AS LESSEE FOR SPACES IN THE FRANCISCAN PLAZA PARKING STRUCTURE

in three (3) public places in the City of San Juan Capistrano, to wit: City Hall; Old Fire Station Recreation Complex; Orange County Public Library.



JEFFREY C. PARKER, Acting Agency Secretary
San Juan Capistrano Community
Redevelopment Agency